



Reprinted  
February 11, 2009

## SENATE BILL No. 561

DIGEST OF SB 561 (Updated February 10, 2009 3:26 pm - DI 58)

**Citations Affected:** IC 5-1; IC 6-1.1; IC 6-3.5; IC 6-9; IC 8-22; IC 14-33; IC 20-23; IC 20-26; IC 20-46; IC 20-49; IC 33-26; IC 36-2; IC 36-3; IC 36-6; IC 36-7; IC 36-8; IC 36-9; noncode.

**Synopsis:** Property tax matters. Deletes the statute requiring a general reassessment to begin in 2009. Requires the county assessor of each county to prepare and submit to the department of local government finance (DLGF) a reassessment plan for the county. Specifies that the reassessment plan is subject to approval by the DLGF. Provides that the reassessment plan must divide all parcels of real property in the county into different groups of parcels. Requires that each group of parcels must contain at least 20% of the parcels within each class of real property in the county. Provides that the DLGF shall determine the classes of real property to be used for purposes of this section. Specifies that the DLGF shall determine the classes of real property to be used for this purpose. Requires that the number of parcels of real property included in each group within a particular group must be approximately equal. Provides that all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each cycle. Specifies that the reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year. Provides that the reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2010, and shall be completed on or before March 1, 2011. Makes conforming amendments to recognize the reassessment under the reassessment plan. Provides that if a county is more than 12 months behind in submitting certified net assessed valuations to the DLGF, the county shall have a trending factor based on property class and location (Continued next page)

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**Effective:** Upon passage; March 1, 2009 (retroactive); July 1, 2009; January 1, 2010.

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**Hershman, Landske, Skinner**

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January 20, 2009, read first time and referred to Committee on Tax and Fiscal Policy.  
February 5, 2009, amended, reported favorably — Do Pass.  
February 10, 2009, read second time, amended, ordered engrossed.

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developed and applied to the assessed values of properties within the county. Requires the DLGF to develop the trending factors. Specifies that the trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular assessments and billing before the start of the next reassessment cycle. Provides that a petition for reassessment of a group of parcels must be signed by not less than 100 real property owners or 5% of real property owners and must be filed with the DLGF not later than 45 days after notice of assessment is provided. Provides that the maximum term or repayment period for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments is 20 years after the date of the first lease rental payment. Provides that the county assessor determines the values of all classes of land in the county. Provides that a petition for the review of the land values determined by the county assessor may be filed with the DLGF. Requires the petition to be signed by at least the lesser of: (1) 100 property owners in the county; or (2) 5% of the property owners in the county. Requires the DLGF to be a party to any addendum to a contract: (1) between a county assessor and a professional appraiser; and (2) between a county and providers of assessment software. Allows a taxpayer to claim the deduction for senior homeowners while also claiming several other deductions. Provides that if an assessing official assesses or reassesses any real property, a tax statement or, if applicable, a reconciling property tax statement is notice to the taxpayer of the amount of the assessment or reassessment. For real property with new additions or improvements since the previous assessment date, requires a separate notice to be provided within 90 days after the assessor completes the appraisal of a parcel or receives a report for a parcel from a professional appraiser. Provides that a public utility company's tangible personal property that is locally assessed as fixed property is instead assessed as distributable property. Exempts public utility and governmental easement documents from the property sale disclosure filing requirement. Authorizes the DLGF to use money in the assessment training and administration fund for data base management expenses. Eliminates the authority of a county assessor to appeal an assessment of industrial property by the DLGF. Provides that in the case of a taxing unit that is governed by a nonelected board and is required to submit its proposed budget and property tax levy to a municipal fiscal body for approval, the proposed budget and property tax levy must be submitted at least 30 days (rather than 14 days, under current law) before the municipal fiscal body is required to hold budget approval hearings. Changes the date for political subdivisions to complete budgets from August 10 to September 10. Eliminates a taxpayer notice of assessed value and estimated taxes that would have been required in September each year beginning in 2010. Requires a civil taxing unit to provide the county fiscal body with its proposed budget, tax rate, and levy at least 45 days, instead of 15 days, before it fixes its rate (30 days instead of 14 days for nonelected units). Provides that a civil taxing unit's preceding year levy is used if the deadline is not met. Gives the county fiscal body (or oversight unit for nonelected units) 30 days to complete its review. Provides that a county's preceding year levy is used if the deadline is not met. Moves the deadline for local budget meetings from September 30 to November 1. Requires the county board of tax adjustment to complete its work before November 2, instead of October 1, in most counties. Provides that in Marion County and counties with second class cities the board must complete its work by December 1 instead of November 1. Changes the deadline for a civil taxing unit to appeal its levy limit from September 20 to October 20. Eliminates the local government tax control board and the school property tax control board. Eliminates the state board of accounts approval of the property tax statement. Removes the tax rate and percentage change in liability

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from the property tax statement. Eliminates expiring provisions. Provides that in the case of property taxes billed under a provisional tax statement: (1) the first installment is due on the later of May 10 of the year following the year of the assessment date or 30 days after the mailing of the provisional tax statement; and (2) the second installment is due on the later of November 10 of the year following the year of the assessment date or a date determined by the county treasurer that is not later than December 31 of the year following the year of the assessment date. Requires provisional tax statements and reconciling tax statements to be on forms prescribed by the DLGF. Provides that the tax liability under a provisional tax statement may be up to 100% of the tax liability that was payable in the same year as the assessment date for the property for which the provisional tax statement is issued. Requires a provisional tax statement to include any adjustments to the tax liability as prescribed by the DLGF. Provides that the county assessor is a nonvoting member of the property tax assessment board of appeals. Provides that the county commissioners make three (rather than two) appointments to the property tax assessment board of appeals. Specifies that the provisions requiring the calculation and use of school assessment ratios and adjustment factors apply only to school corporations in counties in which a supplemental county levy is imposed. Repeals a provision requiring the calculation of a state average assessment ratio. Provides that the board of a conservancy district may, subject to any required budget review and approval, increase the conservancy district's budget by not more than 10% for contingencies. (Current law requires the budget to be increased by 10% for contingencies.) Eliminates expired maximum property tax levy appeals. Provides that under the statute authorizing political subdivisions to borrow from a financial institution to finance a public work project, the maximum term of the loan is ten years (rather than six years, under current law). Provides a school in Marion County additional time to file for a property tax exemption for taxes payable in 2007, 2008, and 2009. Provides for a refund of taxes paid for 2007 and 2008.

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February 11, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## SENATE BILL No. 561

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-1-14-10, AS AMENDED BY P.L.146-2008,  
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]: Sec. 10. (a) If an issuer has issued obligations under a  
4 statute that establishes a maximum term or repayment period for the  
5 obligations, notwithstanding that statute, the issuer may continue to  
6 make payments of principal, interest, or both, on the obligations after  
7 the expiration of the term or period if principal or interest owed to  
8 owners of the obligations remains unpaid.
- 9 (b) This section does not authorize the use of revenues or funds to  
10 make payments of principal and interest other than those revenues or  
11 funds that were pledged for the payments before the expiration of the  
12 term or period.
- 13 (c) Except as otherwise provided by this section, IC 36-7-12-27, or  
14 IC 36-7-14-25.1, the maximum term or repayment period for  
15 obligations issued after June 30, 2008, that are wholly or partially

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payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes;

**(3) twenty (20) years after the date of the first lease rental payment, for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments; or**

~~(3) (4) twenty (20) years, for obligations that are not described in subdivision subdivisions (1), or (2), or (3) and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.~~

SECTION 2. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) ~~A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000; and be the basis for taxes payable in 2003. The county assessor of each county shall, before January 1, 2010, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:~~

(1) The reassessment plan is subject to approval by the department of local government finance.

(2) The department of local government finance shall determine the classes of real property to be used for purposes of this section.

(3) Except as provided in subsection (b), the reassessment plan must divide all parcels of real property in the county into five (5) different groups of parcels. Each group of parcels must contain approximately twenty percent (20%) of the parcels within each class of real property in the county.

(4) Except as provided in subsection (b), all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each five (5) year cycle.

(5) The reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year.

(6) The reassessment of parcels:

(A) must include a physical inspection of each parcel of

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real property in the group of parcels that is being reassessed; and

(B) shall be completed on or before March 1 of the year after the year in which the reassessment of the group of parcels begins.

(7) For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009, and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

(b) A county may submit a reassessment plan that provides for reassessing more than twenty percent (20%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a five (5) year period and provide that at least twenty percent (20%) of all parcels will be reassessed each year during the five (5) year period. Each group of parcels must contain approximately an equal percentage of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.

(c) The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2010, and shall be completed on or before March 1, 2011.

SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a ~~general~~ reassessment ~~of~~ **under a county's reassessment plan for the property** last took effect.

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(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment **under the county's reassessment plan for the property** becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

SECTION 4. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 4.6. The following apply to a county that is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance:**

(1) **The county shall have a trending factor based on property class and location developed and applied to the assessed values of properties within the county. The trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular property tax assessments and property tax billing.**

(2) **The department of local government finance shall develop the trending factors under this section. The trending factors**

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must be derived from ratio studies or other market analyses, such as sales disclosure forms or government studies, as determined by the department of local government finance.

(3) The trending factors shall be provided by the department of local government finance to the county assessor for application to the assessed values of the properties in the county as directed by the department of local government finance.

(4) Trending factors may be developed and applied under this section to the assessed values of properties within a county more than once if the county is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance after a previous application under this section of trending factors to properties in the county.

SECTION 5. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A petition for the reassessment of a real property situated within a township group designated under a county's reassessment plan may be filed with the department of local government finance on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made: not later than forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.

(b) The petition for reassessment must be signed by not less than the following percentage of all the owners of taxable the lesser of one hundred (100) real property who reside in the township: owners of parcels in the group or five percent (5%) of real property owners of parcels in the group.

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

(5) two percent (2%) for a township containing all or part of an

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1 incorporated city which has a population of more than fifty  
 2 thousand (50,000) but not exceeding one hundred fifty thousand  
 3 (150,000); or  
 4 (6) one percent (1%) for a township containing all or part of an  
 5 incorporated city which has a population of more than one  
 6 hundred fifty thousand (150,000);

7 The signatures on the petition must be verified by the oath of one (1)  
 8 or more of the signers. ~~And;~~ A certificate of the county auditor stating  
 9 that the signers constitute the required number of resident owners of  
 10 taxable real property of the township in the group of parcels must  
 11 accompany the petition.

12 **(c) Upon receipt of a petition under subsection (a), the**  
 13 **department of local government finance may order a reassessment**  
 14 **under section 9 of this chapter or conduct a reassessment under**  
 15 **section 31.5 of this chapter.**

16 SECTION 6. IC 6-1.1-4-6 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. If the  
 18 department of local government finance determines that a petition filed  
 19 under section 5 of this chapter has been signed by the required number  
 20 of petitioners and that the present assessed value of any real property  
 21 is inequitable, the department of local government finance shall order  
 22 a reassessment of the real property ~~which has been inequitably~~  
 23 ~~assessed:~~ **in the group for which the petition was filed.** The order  
 24 shall specify the time within which the reassessment shall be completed  
 25 and the date on which the reassessment shall become effective.

26 SECTION 7. IC 6-1.1-4-9 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. In order to  
 28 maintain a just and equitable valuation of real property, the department  
 29 of local government finance may adopt a resolution declaring its belief  
 30 that it is necessary to reassess all or a portion of the real property  
 31 located within this state. If the department of local government finance  
 32 adopts a reassessment resolution and if ~~either a township or a larger~~  
 33 ~~area is one (1) or more groups of parcels under the county's~~  
 34 **reassessment plan** are involved, the department shall hold a hearing  
 35 concerning the necessity for the reassessment at the courthouse of the  
 36 county in which the property is located. The department of local  
 37 government finance shall give notice of the time and place of the  
 38 hearing in the manner provided in section 10 of this chapter. After the  
 39 hearing, or if the area involved is ~~less than a township;~~ **only one (1)**  
 40 **group of parcels under the county's reassessment plan,** after the  
 41 adoption of the resolution of the department of local government  
 42 finance, the department may order any reassessment it deems

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necessary. The order shall specify the time within which the reassessment must be completed and the date the reassessment will become effective.

SECTION 8. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13.6. (a) The township assessor, or the county assessor if there is no township assessor for the township, shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township or county using guidelines determined by the department of local government finance. Not later than November 1, of the year preceding the year in which a general reassessment becomes effective, **2010, and every fifth year thereafter**, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year, preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1, and shall hold the hearing after March 31 and before December 1 of the year, preceding the year in which the general reassessment under section 4 of this chapter becomes effective.

(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor fails to submit **determine** land values under subsection (a) to the county property tax assessment board of appeals before **the** November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective, **deadline**, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes **land values become** effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county (if any) of the values. **as modified by the county property tax assessment board of appeals**. Assessing officials shall use the values

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determined under this section.

(d) A petition for the review of the land values determined by a county assessor under this section may be filed with the department of local government finance not later than forty-five (45) days after the county assessor makes the determination of the land values. The petition must be signed by at least the lesser of:

(1) one hundred (100) property owners in the county; or

(2) five percent (5%) of the property owners in the county.

(e) Upon receipt of a petition for review under subsection (d), the department of local government finance:

(1) shall review the land values determined by the county assessor; and

(2) after a public hearing, shall:

(A) approve;

(B) modify; or

(C) disapprove;

the land values.

SECTION 9. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 16. (a) For purposes of making a ~~general~~ reassessment of real property **under a county's reassessment plan** or annual adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

(1) deputies;

(2) employees; and

(3) technical advisors who are:

(A) qualified to determine real property values;

(B) professional appraisers certified under 50 IAC 15; and

(C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 10. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract **and any addendum to the employment**

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**contract.**

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a ~~general~~ reassessment **under a county's reassessment plan** is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 11. IC 6-1.1-4-19.5, AS AMENDED BY P.L.146-2008, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

- (1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;
- (2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the county assessor;
- (4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;
- (5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;
- (6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance;
- (7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract; and
- (8) a provision stating that the department of local government finance is a party to the contract **and any addendum to the contract.**

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or

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(3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 12. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 20. The department of local government finance may establish a period, with respect to each ~~general~~ reassessment **under a county's reassessment plan**, that is the only time during which a county assessor may enter into a contract with a professional appraiser. ~~The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.~~

SECTION 13. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21. (a) ~~If during a period of general reassessment, a county assessor personally makes the real property appraisals, The appraisals of the parcels in a group under a county's reassessment plan and~~ subject to taxation must be completed as follows:

(1) The appraisal of ~~one-fourth (1/4)~~ **one-third (1/3)** of the parcels shall be completed before ~~December~~ **October** 1 of the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(2) The appraisal of ~~one-half (1/2)~~ **two-thirds (2/3)** of the parcels shall be completed before ~~May~~ **January** 1 of the year following the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(3) The appraisal of ~~three-fourths (3/4)~~ of the parcels shall be completed before ~~October 1 of the year following the year in which the general reassessment begins.~~

~~(4) (3)~~ The appraisal of all the parcels shall be completed before March 1 of the ~~second~~ year following the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(b) If a county assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals ~~during a period of general reassessment, of a group of parcels under a county's reassessment plan,~~ the professional appraiser or appraisal firm must file appraisal reports with the county assessor ~~as follows:~~

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(1) The appraisals for one-fourth (1/4) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.

(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins.

**by the dates set forth in subsection (a).** However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.

SECTION 14. IC 6-1.1-4-22, AS AMENDED BY P.L.146-2008, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. (a) If any assessing official assesses or reassesses any real property under this article, ~~the official shall give notice to the taxpayer and the county assessor, by mail, a tax statement under IC 6-1.1-22-8.1 or, if applicable, a reconciling property tax statement under IC 6-1.1-22.5 is notice to the taxpayer~~ of the amount of the assessment or reassessment.

(b) ~~During a period of general reassessment, each township or county assessor shall mail the notice required by this section~~ **For real property with new additions or improvements since the previous assessment date, if any assessing official assesses or reassesses the real property under this article, the official shall give notice (separate from the notice required by subsection (a)) to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment** within ninety (90) days after the assessor:

(1) completes the appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 15. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is

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to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a ~~general~~ reassessment of real property ~~that is to commence on July 1, 2014, and each fifth year thereafter, under a county's reassessment plan after December 31, 2009,~~ the county council of each county shall, for property taxes due ~~in the year that the general reassessment is to commence and the four (4) years preceding that each~~ year, levy against all the taxable property in the county an amount equal to ~~one-fifth (1/5)~~ of the estimated costs of the ~~general~~ reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan; or

(2) making annual adjustments under section 4.5 of this chapter; has changed.

(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 16. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,

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SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the ~~general~~ reassessment of real property **under a county's reassessment plan**, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
- (6) making annual adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:

(A) the county assessor; or

(B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the ~~general~~ reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 17. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance

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in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a ~~general~~ reassessment **of a group of parcels under a county's reassessment plan**, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The assessing officials in the county, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.

SECTION 18. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. In making any assessment or reassessment of real property in the interim between ~~general~~ reassessments **of that real property under a county's reassessment plan**, the rules, regulations, and standards for assessment are the same as those used **for that real property** in the preceding ~~general~~ reassessment **of that group of parcels under a county's reassessment plan**.

SECTION 19. IC 6-1.1-4-31, AS AMENDED BY P.L.146-2008, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

- (1) a ~~general~~ reassessment of property **under a county's reassessment plan**;
- (2) work required to be performed by local officials under 50 IAC 21; and
- (3) other property assessment activities in the county, as determined by the department.

The department of local government finance may inform township assessors (if any), county assessors, and the presidents of county councils in writing if its check reveals that ~~the general~~ a reassessment or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that:

- (1) the ~~general~~ reassessment **under a county's reassessment**

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1 **plan** or other property assessment activities are being properly  
2 conducted;

3 (2) work required to be performed by local officials under 50  
4 IAC 21 is being properly conducted; or

5 (3) property assessments are being properly made.

6 (c) If the department of local government finance:

7 (1) determines under subsection (a) that a ~~general~~ reassessment  
8 **under a county's reassessment plan** or other assessment  
9 activities ~~for a general reassessment year or any other year~~ are not  
10 being properly conducted; and

11 (2) informs:

12 (A) the township assessor (if any) of each affected township;

13 (B) the county assessor; and

14 (C) the president of the county council;

15 in writing under subsection (a);

16 the department may order a state conducted assessment or reassessment  
17 under section 31.5 of this chapter to begin not less than sixty (60) days  
18 after the date of the notice under subdivision (2). ~~If the department~~  
19 ~~determines during the period between the date of the notice under~~  
20 ~~subdivision (2) and the proposed date for beginning the state conducted~~  
21 ~~assessment or reassessment that the general reassessment or other~~  
22 ~~assessment activities for the general reassessment are being properly~~  
23 ~~conducted, the department may rescind the order.~~

24 (d) If the department of local government finance:

25 (1) determines under subsection (a) that work required to be  
26 performed by local officials under 50 IAC 21 is not being  
27 properly conducted; and

28 (2) informs:

29 (A) the township assessor of each affected township (if any);

30 (B) the county assessor; and

31 (C) the president of the county council;

32 in writing under subsection (a);

33 the department may conduct the work or contract to have the work  
34 conducted to begin not less than sixty (60) days after the date of the  
35 notice under subdivision (2). If the department determines during the  
36 period between the date of the notice under subdivision (2) and the  
37 proposed date for beginning the work or having the work conducted  
38 that work required to be performed by local officials under 50 IAC 21  
39 is being properly conducted, the department may rescind the order.

40 (e) If the department of local government finance contracts to have  
41 work conducted under subsection (d), the department shall forward the  
42 bill for the services to the county and the county shall pay the bill under

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the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may adopt an ordinance to do either or both of the following:

(1) Determine that:

(A) the information indicates that the county assessor has failed to perform adequately the duties of county assessor; and

(B) by that failure the county assessor forfeits the office of county assessor and is subject to removal from office by an information filed under IC 34-17-2-1(b).

(2) Determine that:

(A) the information indicates that one (1) or more township assessors in the county have failed to perform adequately the duties of township assessor; and

(B) by that failure the township assessor or township assessors forfeit the office of township assessor and are subject to removal from office by an information filed under IC 34-17-2-1(b).

(g) A city-county council that is informed by the department of local government finance under subsection (a) may adopt an ordinance making the determination or determinations referred to in subsection (f).

SECTION 20. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 31.5. (a) As used in this section, "department" refers to the department of local government finance.

(b) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county subject to the time limitation in that subsection.

(c) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county assessor. Notwithstanding sections 15 and 17 of this chapter, a county assessor subject to an order issued under this section may not assess property or have property assessed for the assessment or ~~general~~ reassessment **under a county's reassessment plan**. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of the county assessor are limited to providing the department or a contractor of the department

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the support and information requested by the department or the contractor.

(d) Before assuming the duties of a county assessor, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county assessor, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(e) A county assessor subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a ~~general~~ reassessment **under a county's reassessment plan** and is subject to IC 6-1.1-37-2.

(f) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(g) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (f), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this

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chapter; and

(2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(h) The department shall forward a bill for services provided under a contract described in subsection (f) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (i).

(i) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (f), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the date the claim is certified by the county fiscal officer if the procedures in IC 5-11-10-2 are used to approve the claim or the date the claim is placed on the claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are used to approve the claim. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department.

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Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

(k) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(l) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessing officials of the land values determined under this subsection.

(m) A contractor of the department may notify the department if:

- (1) a county auditor fails to:
  - (A) certify the contractor's bill;
  - (B) publish the contractor's claim;
  - (C) submit the contractor's claim to the county executive; or
  - (D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (i) at the county auditor's first legal opportunity to do so;

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(2) a county executive fails to allow the contractor's claim as legally required by subsection (i) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(n) The department, upon receiving notice under subsection (m) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (m)(1) or (m)(2); or

(B) a person or an entity acted or failed to act as described in subsection (m)(3); and

(2) provide to the treasurer of state the department's approval under subsection (i)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (m).

(o) Upon receipt of the department's approval of a contractor's bill under subsection (n), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions of admissions taxes or wagering taxes.

(p) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a county described in a notice provided under subsection (m) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (o). Money shall be withheld from any source payable to the county.

(q) Compliance with subsections (m) through (p) constitutes compliance with IC 5-11-10.

(r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (m) through (p). This subsection and subsections (m) through (p) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(s) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 21. IC 6-1.1-5.5-2, AS AMENDED BY P.L.144-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2009]: Sec. 2. (a) As used in this chapter, "conveyance document" means any of the following:

(1) Any of the following that purports to transfer a real property interest for valuable consideration:

(A) A document.

(B) A deed.

(C) A contract of sale.

(D) An agreement.

(E) A judgment.

(F) A lease that includes the fee simple estate and is for a period in excess of ninety (90) years.

(G) A quitclaim deed serving as a source of title.

(H) Another document presented for recording.

(2) Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, condemnation, or probate.

(3) Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.

(b) The term does not include the following:

(1) Security interest documents such as mortgages and trust deeds.

(2) Leases that are for a term of less than ninety (90) years.

(3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.

(4) Quitclaim deeds not serving as a source of title.

**(5) Public utility or governmental easements or right-of-way.**

SECTION 22. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:

(1) the department of local government finance:

(A) to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; **and**

**(B) for data base management expenses; or**

(2) the Indiana board to:

(A) conduct appeal activities; or

(B) pay for appeal services.

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(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 23. IC 6-1.1-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

7. (a) The fixed property of a bus company consists of ~~real property and tangible personal property which is located within or on the~~ real property.

(b) A bus company's property which is not described in subsection (a) is indefinite-situs distributable property. This property includes, but is not limited to, buses and other mobile equipment. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bus company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 24. IC 6-1.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

8. (a) The fixed property of an express company consists of real property. ~~and tangible personal property which has a definite situs.~~ The remainder of the express company's property is indefinite-situs distributable property.

(b) The department of local government finance shall apportion and distribute the assessed valuation of an express company's indefinite-situs distributable property among the taxing districts in which the fixed property of the company is located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the express company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's fixed property which is located in the taxing district, and the denominator of which is the value of the company's fixed property which is located in this state.

SECTION 25. IC 6-1.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

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9. (a) The fixed property of a light, heat, or power company consists of  
~~(1) automotive and other mobile equipment;~~  
~~(2) office furniture and fixtures;~~  
~~(3) other tangible personal property which is not used as part of the~~  
~~company's production plant, transmission system, or distribution~~  
~~system; and~~

~~(4) real property which is not part of the company's right-of-ways,~~  
~~transmission system, or distribution system.~~

(b) A light, heat, or power company's property which is not  
described as fixed property in subsection (a) of this section is  
definite-situs distributable property. This property includes, but is not  
limited to, turbo-generators, boilers, transformers, transmission lines,  
distribution lines, and pipe lines.

SECTION 26. IC 6-1.1-8-10 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

10. (a) The fixed property of a pipe line company consists of  
~~(1) real property which is not part of a pipe line or right-of-way of~~  
~~the company. and~~  
~~(2) tangible personal property which is not part of the company's~~  
~~distribution system.~~

(b) A pipe line company's property which is not described in  
subsection (a) is indefinite-situs distributable property. The department  
of local government finance shall apportion and distribute the assessed  
valuation of this property among the taxing districts in which the  
company's pipe lines are located. The amount which the department of  
local government finance shall distribute to a taxing district equals the  
product of (1) the total assessed valuation of the pipe line company's  
indefinite-situs distributable property, multiplied by (2) a fraction, the  
numerator of which is the length of the company's pipe lines in the  
taxing district, and the denominator of which is the length of the  
company's pipe lines in this state.

SECTION 27. IC 6-1.1-8-11 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

11. (a) The fixed property of the railroad company consists of real  
property which is not required for the operation of the railroad. ~~and~~  
~~tangible personal property which is located within or on that real~~  
~~property.~~ The remaining property of the railroad company is  
distributable property.

(b) A railroad company's definite-situs distributable property  
consists of the company's:

- (1) rights-of-way and road beds;
- (2) station and depot grounds;

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- (3) yards, yard sites, superstructures, turntable, and turnouts;
- (4) tracks;
- (5) telegraph poles, wires, instruments, and other appliances, which are located on the right-of-ways; and
- (6) any other buildings or fixed situs personal property used in the operation of the railroad.

(c) A railroad company's property which is not described in subsection (a) or (b) is indefinite-situs distributable property. This property includes, but is not limited to, rolling stock. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the railroad company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the railroad company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in the taxing district, and the denominator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in this state.

SECTION 28. IC 6-1.1-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) The fixed property of a railroad car company consists of real property. ~~and tangible personal property which has a definite situs.~~ The remainder of the railroad car company's property is indefinite-situs distributable property.

(b) The department of local government finance shall assess a railroad car company's indefinite-situs distributable property on the basis of the average number of cars owned or used by the company within this state during the twelve (12) months of the calendar year preceding the year of assessment. The average number of cars within this state equals the product of:

- (1) the sum of "M" plus "E"; multiplied by
- (2) a fraction, the numerator of which is "N", and the denominator of which is the number two (2).

"M" equals the mileage traveled by the railroad car company's cars in this state divided by the mileage traveled by the company's cars both within and outside this state. "E" equals the earnings generated by the company's cars in this state divided by the earnings generated by the company's cars both within and outside this state. "N" equals the total

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number of cars owned or used by the company both within and outside this state.

SECTION 29. IC 6-1.1-8-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

13. (a) The fixed property of a sleeping car company consists of real property. ~~and tangible personal property which has a definite situs.~~

(b) A sleeping car company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates cars. The department of local government finance shall make the apportionment in a manner which it considers fair.

SECTION 30. IC 6-1.1-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

14. (a) The fixed property of a street railway company consists of

~~(1) real property which is not part of the company's tracks or rights-of-way. and~~

~~(2) tangible personal property which is located within or on the real property described in subdivision (1);~~

(b) A street railway company's property which is not described in subsection (a) is distributable property. This property includes, but is not limited to:

(1) rights-of-way of the company;

(2) tangible personal property which is located on a right-of-way of the company; and

(3) rolling stock.

(c) The department of local government finance shall apportion and distribute the assessed valuation of a street railway company's indefinite-situs distributable property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the street railway company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 31. IC 6-1.1-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

15. (a) The fixed property of a telephone, telegraph, or cable company consists of

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(1) tangible personal property which is not used as part of the distribution system of the company; and

(2) real property which is not part of the company's rights-of-way or distribution system.

(b) A telephone, telegraph, or cable company's property which is not described under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's lines or cables, including laterals, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the telephone, telegraph, or cable company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's lines and cables, including laterals, which are located in the taxing district, and the denominator of which is the length of the company's lines and cables, including laterals, which are located in this state.

SECTION 32. IC 6-1.1-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

17. (a) The fixed property of a water distribution company consists of

(1) tangible personal property which is not used as part of the company's distribution system; and

(2) real property which is not part of the company's rights-of-way or distribution system.

A well, settling basin, or reservoir (except an impounding reservoir) is not fixed property of a water distribution company if it is used to store treated water or water in the process of treatment.

(b) A water distribution company's property which is not described as fixed property under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's water mains, including feeder and distribution mains, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the water distribution company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's water mains, including feeder and distribution mains, which are located in the taxing district, and the denominator of which is the length of the company's water mains, including feeder and distribution mains, which are located in this state.

SECTION 33. IC 6-1.1-8-18 IS AMENDED TO READ AS



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FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 18. For a public utility company which is not within one (1) of the classes of companies whose property is described in sections 6 through 17 of this chapter, the fixed property of the company consists of real property. ~~and tangible personal property.~~ The remainder of the company's property is indefinite-situs distributable property. The department of local government finance shall, in a manner which it considers fair, apportion and distribute the assessed valuation of the company's indefinite-situs distributable property among the taxing districts in which the company operates its system.

SECTION 34. IC 6-1.1-8.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. ~~Before:~~

(1) ~~January 1, 2004; and~~

(2) ~~January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;~~

The county assessor of each qualifying county shall provide the department of local government finance a list of each industrial facility located in the qualifying county.

SECTION 35. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) For purposes of the ~~general~~ reassessment under IC 6-1.1-4-4 **of a group of parcels under a county's reassessment plan** or for purposes of a new assessment, the department of local government finance shall assess each industrial facility in a qualifying county.

(b) The following may not assess an industrial facility in a qualifying county:

(1) A county assessor.

(2) An assessing official.

(3) A county property tax assessment board of appeals.

SECTION 36. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer ~~or the county assessor~~ of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.

(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

SECTION 37. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007,



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SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. ~~(a) Before January 1, 2003, Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township: for the 2004 assessment date.~~

~~(b) Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4, (a) Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. for that general reassessment.~~

~~(c) (b)~~ An industrial company may at any time petition the department to assess the real property of an industrial facility owned or used by the company.

~~(d) (c)~~ Before January 1 of any year, the county assessor of the county in which an industrial facility is located may petition the department to assess the real property of the industrial facility for the assessment date in ~~that~~ **the following** year.

SECTION 38. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's ~~real property, or mobile home or manufactured home which is not assessed as real property, homestead,~~ if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year **immediately** preceding the year in which the ~~deduction is claimed; property taxes are first due and payable;~~

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000);

(3) the individual has owned the ~~real property, mobile home, or manufactured home~~ **homestead** for at least one (1) year before claiming the deduction; or the individual has been buying the ~~real property, mobile home, or manufactured home~~ **homestead** under a contract that provides that the individual is to pay the property

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taxes on the ~~real property, mobile home, or manufactured home~~  
**homestead** for at least one (1) year before claiming the deduction,  
 and the contract or a memorandum of the contract is recorded in  
 the county recorder's office;

(4) the individual and any individuals covered by subdivision  
 (2)(B) reside on the ~~real property, mobile home, or manufactured~~  
~~home; homestead;~~

(5) the assessed value of the ~~real property, mobile home, or~~  
~~manufactured home homestead~~ does not exceed one hundred  
 eighty-two thousand four hundred thirty dollars (\$182,430);

(6) the individual receives no other property tax deduction for the  
 year in which the deduction is claimed, except the deductions  
 provided by sections 1, **26, 29, 30, 33, 34, 37, 37.5,** and 38 of this  
 chapter **and the credits provided by IC 6-1.1-20.6;** and

(7) the person:

(~~1~~) (A) owns the ~~real property, mobile home, or manufactured~~  
~~home; homestead;~~ or

(~~2~~) (B) is buying the ~~real property, mobile home, or~~  
~~manufactured home homestead~~ under contract;

on the date the statement required by section 10.1 of this chapter  
 is filed.

(b) Except as provided in subsection (h), in the case of real property,  
 an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this  
 chapter, in the case of a mobile home that is not assessed as real  
 property or a manufactured home which is not assessed as real  
 property, an individual's deduction under this section equals the lesser  
 of:

(1) one-half (1/2) of the assessed value of the mobile home or  
 manufactured home; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under  
 this section because the individual is absent from the ~~real property,~~  
~~mobile home, or manufactured home homestead~~ while in a nursing  
 home or hospital.

(e) For purposes of this section, if real property, a mobile home, or  
 a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

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only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 39. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the real property. A ~~general~~ reassessment of real property **under a county's reassessment plan**, which occurs within the five (5) year period of the deduction, does not affect the amount of the deduction.

SECTION 40. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. The deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following the rehabilitation and shall continue for the taxes first due and payable in the following five (5) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the property. Any ~~general~~ reassessment of real property **under a county's reassessment plan**, which occurs within the five (5) year period of the deduction,

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does not affect the amount of the deduction.

SECTION 41. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) the percentage prescribed in the table set forth in subsection (d).

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

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(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%

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1	6th	38%
2	7th	25%
3	8th	13%
4	(9) For deductions allowed over a nine (9) year period:	
5	YEAR OF DEDUCTION	PERCENTAGE
6	1st	100%
7	2nd	88%
8	3rd	77%
9	4th	66%
10	5th	55%
11	6th	44%
12	7th	33%
13	8th	22%
14	9th	11%

15	(10) For deductions allowed over a ten (10) year period:	
16	YEAR OF DEDUCTION	PERCENTAGE
17	1st	100%
18	2nd	95%
19	3rd	80%
20	4th	65%
21	5th	50%
22	6th	40%
23	7th	30%
24	8th	20%
25	9th	10%
26	10th	5%

SECTION 42. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.

(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:



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(1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.

(3) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.

(4) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

(d) With the approval of the designating body, the statement of benefits may be incorporated in a designation application. A statement of benefits is a public record that may be inspected and copied under IC 5-14-3.

(e) The designating body must review the statement of benefits required by subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, after the designating body has made the following findings:

(1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(3) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area.

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the findings required by this subsection are made in the affirmative.

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(f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

(1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and

(2) for subsequent years determined under subsection (g).

(g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, subject to section 15 of this chapter, the deduction may not be allowed for more than two (2) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), and subject to section 15 of this chapter, the amount of the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

(1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property owner; multiplied by

(2) the percentage set forth in the table in subsection (i).

(i) The percentage to be used in calculating the deduction under subsection (h) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

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(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 43. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the

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deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 44. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A county assessor shall inquire into the assessment of the classes of tangible property in the ~~various townships of the county~~ **group of parcels**

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1 **under a county's reassessment plan** after March 1 in the year in  
 2 which the ~~general~~ **reassessment of tangible property in that group of**  
 3 **parcels** becomes effective. The county assessor shall make any  
 4 changes, whether increases or decreases, in the assessed values which  
 5 are necessary in order to equalize these values in ~~and between the~~  
 6 ~~various townships of the county.~~ **that group.** In addition, the county  
 7 assessor shall determine the percent to be added to or deducted from  
 8 the assessed values in order to make a just, equitable, and uniform  
 9 equalization of assessments in ~~and between the townships of the~~  
 10 ~~county.~~ **that group.**

11 SECTION 45. IC 6-1.1-13-7 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. If a county  
 13 assessor proposes to change assessments under section 6 of this  
 14 chapter, the property tax assessment board of appeals shall hold a  
 15 hearing on the proposed changes before July 15 in the year in which a  
 16 ~~general assessment~~ **reassessment of a group of parcels under a**  
 17 **county's reassessment plan** is to commence. It is sufficient notice of  
 18 the hearing and of any changes in assessments ordered by the board  
 19 subsequent to the hearing if the board gives notice by publication once  
 20 either in:

- 21 (1) two (2) newspapers which represent different political parties  
 22 and which are published in the county; or  
 23 (2) one (1) newspaper only, if two (2) newspapers which  
 24 represent different political parties are not published in the  
 25 county.

26 SECTION 46. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008,  
 27 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a  
 29 review by the county board of a county or township official's action  
 30 with respect to either or both of the following:

- 31 (1) The assessment of the taxpayer's tangible property.  
 32 (2) A deduction for which a review under this section is  
 33 authorized by any of the following:  
 34 (A) IC 6-1.1-12-25.5.  
 35 (B) IC 6-1.1-12-28.5.  
 36 (C) IC 6-1.1-12-35.5.  
 37 (D) IC 6-1.1-12.1-5.  
 38 (E) IC 6-1.1-12.1-5.3.  
 39 (F) IC 6-1.1-12.1-5.4.

40 (b) At the time that notice of an action referred to in subsection (a)  
 41 is given to the taxpayer, the taxpayer shall also be informed in writing  
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- (1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. ~~For an assessment date in a year before 2009; The notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008; the notice must be filed not later than the later of:~~

~~(1) May 10 of the year; or~~

~~(2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).~~

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

- (1) initiates a review under this section; and
- (2) constitutes a request by the taxpayer for a preliminary

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- informal meeting with the official referred to in subsection (a).
- (h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:
- (1) immediately forward the notice to the county board; and
  - (2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:
    - (A) discussing the specifics of the taxpayer's assessment or deduction;
    - (B) reviewing the taxpayer's property record card;
    - (C) explaining to the taxpayer how the assessment or deduction was determined;
    - (D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
    - (E) noting and considering objections of the taxpayer;
    - (F) considering all errors alleged by the taxpayer; and
    - (G) otherwise educating the taxpayer about:
      - (i) the taxpayer's assessment or deduction;
      - (ii) the assessment or deduction process; and
      - (iii) the assessment or deduction appeal process.
  - (i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:
    - (1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:
      - (A) those issues; and
      - (B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.
    - (2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:
      - (A) a statement of those issues; and
      - (B) the identification of:
        - (i) the issues on which the taxpayer and the official agree; and
        - (ii) the issues on which the taxpayer and the official disagree.
    - (j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

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(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. ~~The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.~~

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all

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of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 47. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may correct any errors that may have been made and adjust the assessment or exemption in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the county assessor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing unless the parties agree to a shorter period. With respect to a petition for review filed by a county assessor, the county board that made the determination under review under this section may file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the county board in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment or exemption is under appeal is subject to assessment by that taxing unit.

(c) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section

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3 of this chapter.

(d) After the hearing, the Indiana board shall give the taxpayer, the county assessor, and any entity that filed an amicus curiae brief:

(1) notice, by mail, of its final determination; and

(2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

(1) one hundred eighty (180) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(i) The Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this section, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5 of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a

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preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county board in support of those issues only if all parties participating in the hearing required under subsection (a) agree to the limitation. A party participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county board.

(l) The Indiana board may require the parties to the appeal:

(1) to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to all other parties to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 48. IC 6-1.1-15-12, AS AMENDED BY P.L.146-2008, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.

(2) The assessment was against the wrong person.

(3) Taxes on the same property were charged more than one (1) time in the same year.

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(4) There was a mathematical error in computing the taxes or penalties on the taxes.

(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.

(6) The taxes, as a matter of law, were illegal.

(7) There was a mathematical error in computing an assessment.

(8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

(1) The township assessor (if any).

(2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an

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error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

~~(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.~~

SECTION 49. IC 6-1.1-17-1, AS AMENDED BY P.L.146-2008, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years; ~~excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance;~~
- (5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter;
- (6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and
- (7) any other information at the disposal of the county auditor that

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might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).

(g) The county auditor is not required to hold a public hearing under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after

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the county auditor sent the earlier certified statement; or  
 (3) the county auditor determines that the amendment under  
 subsection (d) will not result in an increase in the tax rate or tax  
 rates of the political subdivision.

SECTION 50. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008,  
 SECTION 147, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a  
 political subdivision shall formulate its estimated budget and its  
 proposed tax rate and tax levy on the form prescribed by the  
 department of local government finance and approved by the state  
 board of accounts. The political subdivision shall give notice by  
 publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and  
 place at which a public hearing will be held on these items. The notice  
 shall be published twice in accordance with IC 5-3-1 with the first  
 publication at least ten (10) days before the date fixed for the public  
 hearing. Beginning in 2009, the duties required by this subsection must  
 be completed before **August September** 10 of the calendar year. ~~A~~  
~~political subdivision shall provide the estimated budget and levy~~  
~~information required for the notice under subsection (b) to the county~~  
~~auditor on the schedule determined by the department of local~~  
~~government finance.~~

(b) Beginning in 2010, before October 1 of a calendar year, the  
 county auditor shall mail to the last known address of each person  
 liable for any property taxes, as shown on the tax duplicate, or to the  
 last known address of the most recent owner shown in the transfer  
 book, a statement that includes:

- (1) the assessed valuation as of the assessment date in the current  
 calendar year of tangible property on which the person will be  
 liable for property taxes first due and payable in the immediately  
 succeeding calendar year and notice to the person of the  
 opportunity to appeal the assessed valuation under  
 IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June  
 30, 2008);
- (2) the amount of property taxes for which the person will be  
 liable to each political subdivision on the tangible property for  
 taxes first due and payable in the immediately succeeding  
 calendar year, taking into account all factors that affect that

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liability, including:

- (A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);
- (B) any deductions or exemptions that apply to the assessed valuation of the tangible property;
- (C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

- (i) the county board of tax adjustment; or
- (ii) the department of local government finance;

(3) a prominently displayed notation that:

- (A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and
- (B) based on various factors, including potential actions by:
  - (i) the county board of tax adjustment; or
  - (ii) the department of local government finance;
 it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a):

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing; statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b):

(d) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) (c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the

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township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f) This subsection expires January 1, 2009. A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:~~

~~(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund:~~

~~(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund:~~

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 51. IC 6-1.1-17-3.5, AS ADDED BY P.L.146-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9.

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a civil taxing unit located in more than one (1) county, the civil taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the civil taxing unit's net assessed valuation is located.

(d) A civil taxing unit must file the information under subsection (b) at least ~~fifteen (15)~~ **forty-five (45)** days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

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(e) A county fiscal body shall **complete the following at least fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter:**

(1) review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section; and

(2) issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the civil taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in nonfarm personal income for the county for the preceding six (6) calendar years; and

(2) increases in the budgets and tax levies of other civil taxing units in the county.

(g) The department of local government finance must provide each county fiscal body with the most recent available information concerning increases in Indiana nonfarm personal income and increases in county nonfarm personal income.

**(h) If a civil taxing unit fails to file the information required by subsection (b) with the fiscal body of the county in which the civil taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that civil taxing unit are continued for the ensuing budget year.**

**(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any civil taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year.**

SECTION 52. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

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- 1 (A) the time required in section 5.6(b) of this chapter; or  
 2 (B) for budget years beginning before July 1, 2010, ~~September~~  
 3 ~~30 November 1~~ if a resolution adopted under section 5.6(d) of  
 4 this chapter is in effect.
- 5 (2) The proper officers of all other political subdivisions, not later  
 6 than ~~September 30~~ **November 1**.
- 7 (3) The governing body of each school corporation (including a  
 8 school corporation described in subdivision (1)), not later than the  
 9 time required under section 5.6(b) of this chapter for budget years  
 10 beginning after June 30, 2010.
- 11 Except in a consolidated city and county and in a second class city, the  
 12 public hearing required by section 3 of this chapter must be completed  
 13 at least ten (10) days before the proper officers of the political  
 14 subdivision meet to fix the budget, tax rate, and tax levy. In a  
 15 consolidated city and county and in a second class city, that public  
 16 hearing, by any committee or by the entire fiscal body, may be held at  
 17 any time after introduction of the budget.
- 18 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or  
 19 tax levy of a political subdivision fixed under subsection (a) by filing  
 20 an objection petition with the proper officers of the political  
 21 subdivision not more than seven (7) days after the hearing. The  
 22 objection petition must specifically identify the provisions of the  
 23 budget, tax rate, and tax levy to which the taxpayers object.
- 24 (c) If a petition is filed under subsection (b), the fiscal body of the  
 25 political subdivision shall adopt with its budget a finding concerning  
 26 the objections in the petition and any testimony presented at the  
 27 adoption hearing.
- 28 (d) This subsection does not apply to a school corporation. Each  
 29 year at least two (2) days before the first meeting ~~after September 20~~  
 30 of the county board of tax adjustment held under IC 6-1.1-29-4, a  
 31 political subdivision shall file with the county auditor:
- 32 (1) a statement of the tax rate and levy fixed by the political  
 33 subdivision for the ensuing budget year;
- 34 (2) two (2) copies of the budget adopted by the political  
 35 subdivision for the ensuing budget year; and
- 36 (3) two (2) copies of any findings adopted under subsection (c).
- 37 Each year the county auditor shall present these items to the county  
 38 board of tax adjustment at the board's first meeting under  
 39 IC 6-1.1-29-4. ~~after September 20 of that year.~~
- 40 (e) In a consolidated city and county and in a second class city, the  
 41 clerk of the fiscal body shall, notwithstanding subsection (d), file the  
 42 adopted budget and tax ordinances with the county board of tax

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adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 53. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) For budget years beginning before July 1, 2010, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2010, this section applies to all school corporations. Beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting ~~after September 20 of that year; under IC 6-1.1-29-4.~~

(d) This subsection does not apply to budget years after June 30,

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2010. The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. Notwithstanding any resolution adopted under this subsection, beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 54. IC 6-1.1-17-9, AS AMENDED BY P.L.146-2008, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county board of tax adjustment shall complete the duties assigned to it under this chapter on or before ~~October 1st~~ **November 2** of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until ~~November~~ **December** 1 of each year.

(b) If the county board of tax adjustment fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, the county auditor shall send a certificate notice of those rates to each political subdivision of the county. The county auditor shall send these

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1 notices within five (5) days after:

2 (1) publication of the notice required by section 12 of this  
3 chapter; **or**

4 (2) **the tax rates are calculated and fixed by the county**  
5 **auditor;**

6 **whichever applies.**

7 (d) When the county auditor calculates and fixes tax rates, that  
8 action shall be treated as if it were the action of the county board of tax  
9 adjustment.

10 SECTION 55. IC 6-1.1-17-12, AS AMENDED BY P.L.146-2008,  
11 SECTION 157, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2009]: Sec. 12. ~~As soon as~~ **If** the budgets, tax  
13 rates, ~~and or~~ tax levies are ~~approved or~~ modified by the county board  
14 of tax adjustment **or county auditor**, the county auditor shall within  
15 fifteen (15) days **of the modification** prepare a notice of the tax rates  
16 to be charged on each one hundred dollars (\$100) of assessed valuation  
17 for the various funds in each taxing district. The notice shall also  
18 inform the taxpayers of the manner in which they may initiate an  
19 appeal of **modification by the county board's action: board or county**  
20 **auditor.** The county auditor shall post the notice at the county  
21 courthouse and publish it in two (2) newspapers which represent  
22 different political parties and which have a general circulation in the  
23 county.

24 SECTION 56. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005,  
25 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1)  
27 taxpayer that owns property that represents at least ten percent (10%)  
28 of the taxable assessed valuation in the political subdivision may  
29 initiate an appeal from the county board of tax adjustment's ~~action on~~  
30 **or county auditor's modification** a political subdivision's budget, **tax**  
31 **rate, or tax levy**, by filing a statement of their objections with the  
32 county auditor. The statement must be filed not later than ten (10) days  
33 after the publication of the notice required by section 12 of this chapter.  
34 The statement shall specifically identify the provisions of the budget,  
35 ~~and tax rate, or~~ tax levy to which the taxpayers object. The county  
36 auditor shall forward the statement, with the budget, to the department  
37 of local government finance.

38 (b) The department of local government finance shall:

39 (1) subject to subsection (c), give notice to the first ten (10)  
40 taxpayers whose names appear on the petition, or to the taxpayer  
41 that owns property that represents at least ten percent (10%) of  
42 the taxable assessed valuation in the political subdivision in the

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case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall provide written notice to:

(1) the first ten (10) taxpayers whose names appear on the petition; or

(2) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer;

at least five (5) days before the date of the hearing.

SECTION 57. IC 6-1.1-17-14, AS AMENDED BY P.L.146-2008, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

~~(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.~~

~~(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009; or~~

~~(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009.~~

SECTION 58. IC 6-1.1-17-15, AS AMENDED BY P.L.146-2008, SECTION 159, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as ~~fixed~~ **modified** by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 59. IC 6-1.1-17-16, AS AMENDED BY P.L.146-2008, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance

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shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ~~two (2) weeks~~ **ten (10) calendar days** from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this

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chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department:

(A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or

(B) fails to act on the appeal before the department certifies its action under subsection (f);

a taxpayer who signed the statement filed to initiate the appeal.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

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(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 60. IC 6-1.1-17-20, AS AMENDED BY P.L.146-2008, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the percentage increase in the proposed budget for the taxing unit for the ensuing calendar year is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most

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assessed valuation. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

**(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.**

**(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.**

SECTION 61. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;

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- 1 (7) IC 12-29-3-6;
- 2 (8) IC 13-21-3-12;
- 3 (9) IC 13-21-3-15;
- 4 (10) IC 14-27-6-30;
- 5 (11) IC 14-33-7-3;
- 6 (12) IC 14-33-21-5;
- 7 (13) IC 15-14-7-4;
- 8 (14) IC 15-14-9-1;
- 9 (15) IC 15-14-9-2;
- 10 (16) IC 16-20-2-18;
- 11 (17) IC 16-20-4-27;
- 12 (18) IC 16-20-7-2;
- 13 (19) IC 16-22-14;
- 14 (20) IC 16-23-1-29;
- 15 (21) IC 16-23-3-6;
- 16 (22) IC 16-23-4-2;
- 17 (23) IC 16-23-5-6;
- 18 (24) IC 16-23-7-2;
- 19 (25) IC 16-23-8-2;
- 20 (26) IC 16-23-9-2;
- 21 (27) IC 16-41-15-5;
- 22 (28) IC 16-41-33-4;
- 23 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 24 (30) IC 20-46-6-5;
- 25 (31) IC 20-49-2-10;
- 26 (32) IC 36-1-19-1;
- 27 (33) IC 23-14-66-2;
- 28 (34) IC 23-14-67-3;
- 29 (35) IC 36-7-13-4;
- 30 (36) IC 36-7-14-28;
- 31 (37) IC 36-7-15.1-16;
- 32 (38) IC 36-8-19-8.5;
- 33 (39) IC 36-9-6.1-2;
- 34 (40) IC 36-9-17.5-4;
- 35 (41) IC 36-9-27-73;
- 36 (42) IC 36-9-29-31;
- 37 (43) IC 36-9-29.1-15;
- 38 (44) IC 36-10-6-2;
- 39 (45) IC 36-10-7-7;
- 40 (46) IC 36-10-7-8;
- 41 (47) IC 36-10-7.5-19;
- 42 (48) IC 36-10-13-5;

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(49) IC 36-10-13-7;  
 (50) IC 36-10-14-4;  
 (51) IC 36-12-7-7;  
 (52) IC 36-12-7-8;  
 (53) IC 36-12-12-10; and  
 (54) any statute enacted after December 31, 2003, that:  
     (A) establishes a maximum rate for any part of the:  
         (i) property taxes; or  
         (ii) special benefits taxes;  
     imposed by a political subdivision; and  
     (B) does not exempt the maximum rate from the adjustment  
     under this section.  
 (e) The new maximum rate under a statute listed in subsection (d)  
 is the tax rate determined under STEP SEVEN of the following STEPS:  
     STEP ONE: Determine the maximum rate for the political  
     subdivision levying a property tax or special benefits tax under  
     the statute for the year preceding the year in which the annual  
     adjustment or ~~general~~ reassessment **under a county's**  
     **reassessment plan** takes effect.  
     STEP TWO: Determine the actual percentage increase (rounded  
     to the nearest one-hundredth percent (0.01%)) in the assessed  
     value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the  
     taxable property from the year preceding the year the annual  
     adjustment or ~~general~~ reassessment **under a county's**  
     **reassessment plan** takes effect to the year that the annual  
     adjustment or ~~general~~ reassessment takes effect.  
     STEP THREE: Determine the three (3) calendar years that  
     immediately precede the ensuing calendar year. ~~and in which a~~  
     ~~statewide general reassessment of real property does not first take~~  
     ~~effect.~~  
     STEP FOUR: Compute separately, for each of the calendar years  
     determined in STEP THREE, the actual percentage increase  
     (rounded to the nearest one-hundredth percent (0.01%)) in the  
     assessed value (before the adjustment, if any, under  
     IC 6-1.1-4-4.5) of the taxable property from the preceding year.  
     STEP FIVE: Divide the sum of the three (3) quotients computed  
     in STEP FOUR by three (3).  
     STEP SIX: Determine the greater of the following:  
         (A) Zero (0).  
         (B) The result of the STEP TWO percentage minus the STEP  
         FIVE percentage.  
     STEP SEVEN: Determine the quotient of the STEP ONE tax rate

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divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 62. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect to the year that the annual adjustment or ~~general~~ reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

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- 1 (A) Zero (0).  
 2 (B) The result of the STEP TWO percentage minus the STEP  
 3 FIVE percentage.  
 4 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 5 divided by the sum of one (1) plus the STEP SIX percentage  
 6 increase.  
 7 (c) The department of local government finance shall compute the  
 8 maximum rate allowed under subsection (b) and provide the rate to  
 9 each school corporation.  
 10 SECTION 63. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,  
 11 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JANUARY 1, 2010]: Sec. 1. As used in this chapter:  
 13 "Ad valorem property tax levy for an ensuing calendar year" means  
 14 the total property taxes imposed by a civil taxing unit for current  
 15 property taxes collectible in that ensuing calendar year.  
 16 "Adopting county" means any county in which the county adjusted  
 17 gross income tax is in effect.  
 18 "Civil taxing unit" means any taxing unit except a school  
 19 corporation.  
 20 "Maximum permissible ad valorem property tax levy for the  
 21 preceding calendar year" means the greater of:  
 22 (1) the remainder of:  
 23 (A) the civil taxing unit's maximum permissible ad valorem  
 24 property tax levy for the calendar year immediately preceding  
 25 the ensuing calendar year, as that levy was determined under  
 26 section 3 of this chapter; minus  
 27 (B) one-half (1/2) of the remainder of:  
 28 (i) the civil taxing unit's maximum permissible ad valorem  
 29 property tax levy referred to in clause (A); minus  
 30 (ii) the civil taxing unit's ad valorem property tax levy for  
 31 the calendar year immediately preceding the ensuing  
 32 calendar year referred to in subdivision (2); or  
 33 (2) the civil taxing unit's ad valorem property tax levy for the  
 34 calendar year immediately preceding the ensuing calendar year,  
 35 as that levy was determined by the department of local  
 36 government finance in fixing the civil taxing unit's budget, levy,  
 37 and rate for that preceding calendar year under IC 6-1.1-17, and  
 38 after eliminating the effects of temporary excessive levy appeals  
 39 and temporary adjustments made to the working maximum levy  
 40 for the calendar year immediately preceding the ensuing calendar  
 41 year, as determined by the department of local government  
 42 finance.

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"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last ~~general~~ reassessment **under a county's reassessment plan** preceding the particular calendar year.

SECTION 64. IC 6-1.1-18.5-7, AS AMENDED BY P.L.146-2008, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to ~~the local government tax control board established by section 11 of this chapter before the tax levy is advertised. The local government tax control board shall then review and make a recommendation to the~~ department of local government finance. ~~on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year.~~ The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 65. IC 6-1.1-18.5-8, AS AMENDED BY P.L.146-2008, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

- (1) bonded indebtedness; or
- (2) lease rentals under a lease with an original term of at least five (5) years.

(b) Except as provided by subsections (g) and (h), a civil taxing unit

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1 must file a petition requesting approval from the department of local  
 2 government finance to incur bonded indebtedness or execute a lease  
 3 with an original term of at least five (5) years not later than twenty-four  
 4 (24) months after the first date of publication of notice of a preliminary  
 5 determination under IC 6-1.1-20-3.1(2) (as in effect before July 1,  
 6 2008), unless the civil taxing unit demonstrates that a longer period is  
 7 reasonable in light of the civil taxing unit's facts and circumstances. A  
 8 civil taxing unit must obtain approval from the department of local  
 9 government finance before the civil taxing unit may:

10 (1) incur the bonded indebtedness; or

11 (2) enter into the lease.

12 ~~The department of local government finance may seek~~  
 13 ~~recommendations from the local government tax control board~~  
 14 ~~established by section 11 of this chapter when determining whether to~~  
 15 ~~authorize incurring the bonded indebtedness or the execution of the~~  
 16 ~~lease.~~

17 (c) The department of local government finance shall render a  
 18 decision within three (3) months after the date it receives a request for  
 19 approval under subsection (b). However, the department of local  
 20 government finance may extend this three (3) month period by an  
 21 additional three (3) months if, at least ten (10) days before the end of  
 22 the original three (3) month period, the department sends notice of the  
 23 extension to the executive officer of the civil taxing unit. A civil taxing  
 24 unit may petition for judicial review of the final determination of the  
 25 department of local government finance under this section. The petition  
 26 must be filed in the tax court not more than forty-five (45) days after  
 27 the department enters its order under this section.

28 (d) A civil taxing unit does not need approval under subsection (b)  
 29 to obtain temporary loans made in anticipation of and to be paid from  
 30 current revenues of the civil taxing unit actually levied and in the  
 31 course of collection for the fiscal year in which the loans are made.

32 (e) For purposes of computing the ad valorem property tax levy  
 33 limits imposed on a civil taxing unit by section 3 of this chapter, the  
 34 civil taxing unit's ad valorem property tax levy for a calendar year does  
 35 not include that part of its levy that is committed to fund or pay bond  
 36 indebtedness or lease rentals with an original term of five (5) years in  
 37 subsection (a).

38 (f) A taxpayer may petition for judicial review of the final  
 39 determination of the department of local government finance under this  
 40 section. The petition must be filed in the tax court not more than thirty  
 41 (30) days after the department enters its order under this section.

42 (g) This subsection applies only to bonds, leases, and other

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obligations for which a civil taxing unit:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations payable from ad valorem property taxes but not described in subdivision (1), adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may issue or enter into bonds, a lease, or any other obligation.

(h) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may construct, alter, or repair a capital project.

SECTION 66. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;

IC 8-16-3;

IC 8-16-3.1;

IC 8-22-3-25;

IC 14-27-6-48;

IC 14-33-9-3;

IC 16-22-8-41;

IC 16-22-5-2 through IC 16-22-5-15;

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1 IC 16-23-1-40;  
 2 IC 36-8-14;  
 3 IC 36-9-4-48;  
 4 IC 36-9-14;  
 5 IC 36-9-14.5;  
 6 IC 36-9-15;  
 7 IC 36-9-15.5;  
 8 IC 36-9-16;  
 9 IC 36-9-16.5;  
 10 IC 36-9-17;  
 11 IC 36-9-26;  
 12 IC 36-9-27-100;  
 13 IC 36-10-3-21; or  
 14 IC 36-10-4-36;  
 15 that are first due and payable during the ensuing calendar year;  
 16 over  
 17 (B) the property taxes imposed by the city, town, or county  
 18 under the authority of the citations listed in clause (A) that  
 19 were first due and payable during calendar year 1984.  
 20 (b) The maximum property tax rate levied under the statutes listed  
 21 in subsection (a) must be adjusted each year to account for the change  
 22 in assessed value of real property that results from:  
 23 (1) an annual adjustment of the assessed value of real property  
 24 under IC 6-1.1-4-4.5; or  
 25 (2) a ~~general~~ reassessment of real property **under a county's**  
 26 **reassessment plan** under IC 6-1.1-4-4.  
 27 (c) The new maximum rate under a statute listed in subsection (a)  
 28 is the tax rate determined under STEP SEVEN of the following  
 29 formula:  
 30 STEP ONE: Determine the maximum rate for the political  
 31 subdivision levying a property tax under the statute for the year  
 32 preceding the year in which the annual adjustment or ~~general~~  
 33 reassessment **under a county's reassessment plan** takes effect.  
 34 STEP TWO: Determine the actual percentage increase (rounded  
 35 to the nearest one-hundredth percent (0.01%)) in the assessed  
 36 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the  
 37 taxable property from the year preceding the year the annual  
 38 adjustment or ~~general~~ reassessment **under a county's**  
 39 **reassessment plan** takes effect to the year that the annual  
 40 adjustment or ~~general~~ reassessment is effective.  
 41 STEP THREE: Determine the three (3) calendar years that  
 42 immediately precede the ensuing calendar year. ~~and in which a~~

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1 ~~statewide general reassessment of real property does not first~~  
 2 ~~become effective.~~

3 STEP FOUR: Compute separately, for each of the calendar years  
 4 determined in STEP THREE, the actual percentage increase  
 5 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 6 assessed value (before the adjustment, if any, under  
 7 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

8 STEP FIVE: Divide the sum of the three (3) quotients computed  
 9 in STEP FOUR by three (3).

10 STEP SIX: Determine the greater of the following:

11 (A) Zero (0).

12 (B) The result of the STEP TWO percentage minus the STEP  
 13 FIVE percentage.

14 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 15 divided by the sum of one (1) plus the STEP SIX percentage  
 16 increase.

17 (d) The department of local government finance shall compute the  
 18 maximum rate allowed under subsection (c) and provide the rate to  
 19 each political subdivision with authority to levy a tax under a statute  
 20 listed in subsection (a).

21 SECTION 67. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008,  
 22 SECTION 174, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JANUARY 1, 2010]: Sec. 10. (a) Subject to subsection  
 24 (d), the ad valorem property tax levy limits imposed by section 3 of this  
 25 chapter do not apply to ad valorem property taxes imposed by a civil  
 26 taxing unit to be used to fund:

27 (1) community mental health centers under:

28 (A) IC 12-29-2-1.2, for only those civil taxing units that  
 29 authorized financial assistance under IC 12-29-1 before 2002  
 30 for a community mental health center as long as the tax levy  
 31 under this section does not exceed the levy authorized in 2002;

32 (B) IC 12-29-2-2 through IC 12-29-2-5; and

33 (C) IC 12-29-2-13; or

34 (2) community mental retardation and other developmental  
 35 disabilities centers under IC 12-29-1-1;

36 to the extent that those property taxes are attributable to any increase  
 37 in the assessed value of the civil taxing unit's taxable property caused  
 38 by a ~~general~~ reassessment of real property **under a county's**  
 39 **reassessment plan** that took effect after February 28, 1979.

40 (b) Subject to subsection (d), for purposes of computing the ad  
 41 valorem property tax levy limits imposed on a civil taxing unit by  
 42 section 3 of this chapter, the civil taxing unit's ad valorem property tax

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1 levy for a particular calendar year does not include that part of the levy  
2 described in subsection (a).

3 (c) This subsection applies to property taxes first due and payable  
4 after December 31, 2008. Notwithstanding subsections (a) and (b) or  
5 any other law, any property taxes imposed by a civil taxing unit that are  
6 exempted by this section from the ad valorem property tax levy limits  
7 imposed by section 3 of this chapter may not increase annually by a  
8 percentage greater than the result of:

9 (1) the assessed value growth quotient determined under section  
10 2 of this chapter; minus

11 (2) one (1).

12 (d) The exemptions under subsections (a) and (b) from the ad  
13 valorem property tax levy limits do not apply to a civil taxing unit that  
14 did not fund a community mental health center or community mental  
15 retardation and other developmental disabilities center in 2008.

16 SECTION 68. IC 6-1.1-18.5-12, AS AMENDED BY P.L.146-2008,  
17 SECTION 179, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Any civil taxing unit that  
19 determines that it cannot carry out its governmental functions for an  
20 ensuing calendar year under the levy limitations imposed by section 3  
21 of this chapter may:

22 (1) before ~~September~~ **October** 20 of the calendar year  
23 immediately preceding the ensuing calendar year; or

24 (2) in the case of a request described in section 16 of this chapter,  
25 before December 31 of the calendar year immediately preceding  
26 the ensuing calendar year;

27 appeal to the department of local government finance for relief from  
28 those levy limitations. In the appeal the civil taxing unit must state that  
29 it will be unable to carry out the governmental functions committed to  
30 it by law unless it is given the authority that it is petitioning for. The  
31 civil taxing unit must support these allegations by reasonably detailed  
32 statements of fact.

33 (b) The department of local government finance shall ~~promptly~~  
34 ~~deliver to the local government tax control board every appeal petition~~  
35 ~~it receives under subsection (a) and any materials it receives relevant~~  
36 ~~to those appeals. Upon receipt of an appeal petition, the local~~  
37 ~~government tax control board shall~~ immediately proceed to the  
38 examination and consideration of the merits of the civil taxing unit's  
39 appeal.

40 (c) In considering an appeal, the ~~local government tax control board~~  
41 **department of local government finance** has the power to conduct  
42 hearings, require any officer or member of the appealing civil taxing

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unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the ~~board~~ **department** with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing ~~of the local government tax control board~~ after having been given written notice ~~from the local government tax control board~~ requiring that person's attendance; or

(2) fails to produce ~~for the local government tax control board's use~~ the books and records that the ~~local government tax control board~~ **department** by written notice required the officer or member to produce;

then the ~~local government tax control board~~ **department** may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the ~~local government tax control board~~ **department** to provide information to the ~~local government tax control board~~ **department** or to produce books and records for the ~~local government tax control board's~~ **department's** use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

SECTION 69. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008, SECTION 180, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the ~~local government tax control~~

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board may recommend ~~department may find~~ that a civil taxing unit should receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the ~~local government tax control board~~ **department** the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

~~(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:~~

~~(A) the cost of personal services (including fringe benefits);~~

~~(B) the cost of supplies; and~~

~~(C) any other cost directly related to the operation of the court.~~

~~(3)~~ (2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the quotient determined under STEP SIX of the

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following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.~~

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not

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greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions

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the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population; and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this

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subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for

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property taxes first due and payable after December 31, 2008.  
Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter; if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center; including expansion of the facility; if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually; if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township; or a portion of a township; enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection.

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However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) (3) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) (4) A levy increase may be granted under this subdivision

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only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

SECTION 70. IC 6-1.1-18.5-13.5, AS AMENDED BY P.L.224-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.5. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009. With respect to an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy ~~recommended by the local government tax control board~~ under this section for the ensuing calendar year may not exceed the greater of:

- (1) twenty-five thousand dollars (\$25,000); or
- (2) twenty percent (20%) of the sum of:
  - (A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus
  - (B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 71. IC 6-1.1-18.5-13.6, AS AMENDED BY P.L.146-2008, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2008. For an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a county to increase its levy in excess of the limitations established under section 3 of this chapter if the ~~local government tax control board~~

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**department** finds that the county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system;  
under IC 3-11-6.

SECTION 72. IC 6-1.1-18.5-14, AS AMENDED BY P.L.146-2008, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) ~~The local government tax control board may recommend to~~ The department of local government finance **may order** a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year **if the department finds that the error** affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 73. IC 6-1.1-18.5-15, AS AMENDED BY P.L.146-2008, SECTION 183, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The department of local government finance, upon ~~receiving a recommendation made making~~ **a finding** under section 13 or 14 of this chapter, shall enter an order ~~adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board: setting forth its final determination.~~

(b) A civil taxing unit may petition for judicial review of the final determination made by the department of local government finance under subsection (a). The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 74. IC 6-1.1-18.5-16, AS AMENDED BY P.L.146-2008, SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A civil taxing unit may request permission from the ~~local government tax control board~~ **department** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue

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1 shortfall that resulted from erroneous assessed valuation figures  
2 being provided to the civil taxing unit;

3 (2) the erroneous assessed valuation figures were used by the civil  
4 taxing unit in determining its total property tax rate; and

5 (3) the error in the assessed valuation figures was found after the  
6 civil taxing unit's property tax levy resulting from that total rate  
7 was finally approved by the department of local government  
8 finance.

9 (b) A civil taxing unit may request permission from the ~~local~~  
10 ~~government tax control board department~~ to impose an ad valorem  
11 property tax levy that exceeds the limits imposed by section 3 of this  
12 chapter if the civil taxing unit experienced a property tax revenue  
13 shortfall because of the payment of refunds that resulted from appeals  
14 under this article and IC 6-1.5.

15 (c) If the ~~local government tax control board department~~  
16 determines that a shortfall described in subsection (a) or (b) has  
17 occurred, it ~~shall recommend to~~ the department of local government  
18 finance **may find** that the civil taxing unit be allowed to impose a  
19 property tax levy exceeding the limit imposed by section 3 of this  
20 chapter. ~~and the department may adopt such recommendation.~~  
21 However, the maximum amount by which the civil taxing unit's levy  
22 may be increased over the limits imposed by section 3 of this chapter  
23 equals the remainder of the civil taxing unit's property tax levy for the  
24 particular calendar year as finally approved by the department of local  
25 government finance minus the actual property tax levy collected by the  
26 civil taxing unit for that particular calendar year.

27 (d) Any property taxes collected by a civil taxing unit over the limits  
28 imposed by section 3 of this chapter under the authority of this section  
29 may not be treated as a part of the civil taxing unit's maximum  
30 permissible ad valorem property tax levy for purposes of determining  
31 its maximum permissible ad valorem property tax levy for future years.

32 (e) If the department of local government finance authorizes an  
33 excess tax levy under this section, it shall take appropriate steps to  
34 insure that the proceeds are first used to repay any loan made to the  
35 civil taxing unit for the purpose of meeting its current expenses.

36 SECTION 75. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007,  
37 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess"  
39 means the part of the ad valorem property tax levy actually collected by  
40 a civil taxing unit, for taxes first due and payable during a particular  
41 calendar year, that exceeds the civil taxing unit's ad valorem property  
42 tax levy, as approved by the department of local government finance

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under IC 6-1.1-17. The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsections (h) and (i), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

(i) This subsection applies only to a civil taxing unit that:

- (1) has a levy excess for a particular calendar year;
- (2) in the preceding calendar year experienced a shortfall in property tax collections below the civil taxing unit's property tax levy approved by the department of local government finance

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under IC 6-1.1-17; and

(3) did not receive permission from the ~~local government tax control board~~ **department** to impose, because of the shortfall in property tax collections in the preceding calendar year, a property tax levy that exceeds the limits imposed by section 3 of this chapter.

The amount that a civil taxing unit subject to this subsection must transfer to the civil taxing unit's levy excess fund in the calendar year in which the excess is collected shall be reduced by the amount of the civil taxing unit's shortfall in property tax collections in the preceding calendar year (but the reduction may not exceed the amount of the civil taxing unit's levy excess).

SECTION 76. IC 6-1.1-19-1, AS AMENDED BY P.L.146-2008, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~The following definitions apply throughout~~ **As used in this chapter**

(~~1~~) "appeal" refers to an appeal taken to the department of local government finance by or in respect of a school corporation under any of the following:

(~~A~~) (1) IC 6-1.1-17.

(~~B~~) (2) IC 20-43.

(2) "Tax control board" means the school property tax control board established by section ~~4.1~~ of this chapter.

SECTION 77. IC 6-1.1-19-3, AS AMENDED BY P.L.146-2008, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (~~a~~) When an appeal is taken to the department of local government finance, the department may exercise the powers described in IC 6-1.1-17 to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation.

(b) The department of local government finance may not exercise any of the powers described in subsection (a) until it receives, regarding the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.

SECTION 78. IC 6-1.1-19-7, AS AMENDED BY P.L.2-2006, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (~~a~~) Any recommendation that is to be made by the tax control board to the department of local government finance under any law that applies to the appeal must be made at the time prescribed in this chapter.

(b) If a time for making a recommendation is not prescribed in this chapter, the recommendation must be made at a time that permits the

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department of local government finance to complete the duties of the department that are set forth in IC 6-1.1-17 within the time allowed by law for the completion of the duties or within the additional time that is reasonably necessary for the department of local government finance and the tax control board to complete the duties set forth in this chapter.

(c) (a) A tax levy is not invalid because of the failure of either the tax control board or the department of local government finance to complete its duties within the time or time limits provided by this chapter or any other law.

(d) (b) Subject to this chapter, the department of local government finance may

- (1) accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to the department of local government finance under this chapter; and
- (2) make any order that is consistent with IC 6-1.1-17.

(e) (c) A school corporation may petition for judicial review of the final determination of the department of local government finance. under subsection (d). The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order. under subsection (d).

SECTION 79. IC 6-1.1-22-8.1, AS AMENDED BY P.L.3-2008, SECTION 53, AND AS AMENDED BY P.L.146-2008, SECTION 251, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.1. (a) This section applies only to property taxes and special assessments first due and payable after December 31, 2007.

(b) (a) The county treasurer shall:

- (1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and
- (2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection (c). *However, for property taxes first due and payable in 2008, the county treasurer may choose to use a tax statement that is different from the tax statement prescribed by the department under subsection (c). If a county chooses to use a different tax statement, the county must still transmit (with the tax bill) the statement in either color type or black-and-white type.* (b).

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~~(c)~~ (b) The department of local government finance shall prescribe a form ~~subject to the approval of the state board of accounts~~, for the statement under subsection ~~(b)~~ (a) that includes at least the following:

(1) A statement of the taxpayer's current and delinquent taxes and special assessments.

(2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(3) An itemized listing, ~~for each property tax levy~~, including:

~~(A)~~ the amount of the tax rate;

~~(B)~~ (A) the entity levying the tax owed; and

~~(C)~~ (B) the dollar amount of the tax owed.

(4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.

(5) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(6) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify

~~(A)~~ the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year. ~~and~~

~~(B)~~ the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(7) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead credit and each deduction.

(C) The procedure that a taxpayer must follow to:

(i) appeal a current assessment; or

(ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(D) The forms that must be filed for an appeal or a petition described in clause (C).

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) the homestead credit and all property tax deductions; and

(B) whether the homestead credit and each property tax

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1 deduction applies in the current statement for the property  
2 transmitted under subsection ~~(b)~~: **(a)**.

3 ~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one  
4 (1) time each year at least fifteen (15) days before the date on which  
5 the first or only installment is due. Whenever a person's tax liability for  
6 a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of  
7 this chapter, a statement that is mailed must include the date on which  
8 the installment is due and denote the amount of money to be paid for  
9 the installment. Whenever a person's tax liability is due in two (2)  
10 installments, a statement that is mailed must contain the dates on which  
11 the first and second installments are due and denote the amount of  
12 money to be paid for each installment.

13 ~~(e)~~ **(d)** All payments of property taxes and special assessments shall  
14 be made to the county treasurer. The county treasurer, when authorized  
15 by the board of county commissioners, may open temporary offices for  
16 the collection of taxes in cities and towns in the county other than the  
17 county seat.

18 ~~(f)~~ **(e)** The county treasurer, county auditor, and county assessor  
19 shall cooperate to generate the information to be included in the  
20 statement under subsection ~~(c)~~: **(b)**.

21 ~~(g)~~ **(f)** The information to be included in the statement under  
22 subsection ~~(c)~~: **(b)** must be simply and clearly presented and  
23 understandable to the average individual.

24 ~~(h)~~ **(g)** After December 31, 2007, a reference in a law or rule to  
25 IC 6-1.1-22-8 (*expired January 1, 2008, and repealed*) shall be treated  
26 as a reference to this section.

27 SECTION 80. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008,  
28 SECTION 252, IS AMENDED TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in  
30 subsections (b) and (c), the property taxes assessed for a year under this  
31 article are due in two (2) equal installments on May 10 and November  
32 10 of the following year.

33 (b) Subsection (a) does not apply if any of the following apply to the  
34 property taxes assessed for the year under this article:

35 (1) Subsection (c).

36 (2) Subsection (d).

37 ~~(3) Subsection (h):~~

38 ~~(4) Subsection (i):~~

39 ~~(5) (3) IC 6-1.1-7-7.~~

40 ~~(6) (4) Section 9.5 of this chapter.~~

41 (c) A county council may adopt an ordinance to require a person to  
42 pay the person's property tax liability in one (1) installment, if the tax

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liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12** before the county treasurer mails or transmits statements under section 8.1(b) of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under ~~section 8.1(b)~~ **section 8.1(a)** of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(d) by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

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(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

SECTION 81. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004, SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Sec. 8. A provisional statement must:

(1) be on a form ~~approved by the state board of accounts;~~  
**prescribed by the department of local government finance;**

(2) except as provided in emergency rules adopted under section 20 of this chapter:

(A) indicate tax liability in the amount of ~~ninety percent (90%)~~  
**not more than one hundred percent (100%)** of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued; **and**

(B) **include any adjustments to the tax liability as prescribed by the department of local government finance;**

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under ~~IC 6-1.1-22-8;~~  
**IC 6-1.1-22-8.1;** and

(ii) will be credited against a reconciling statement;

(4) include ~~the following~~ a statement *in the following or a substantially similar form, as determined by the department of local government finance:*

"Under Indiana law, \_\_\_\_\_ County (insert county) has elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on ~~May 10~~ \_\_\_\_\_ (insert date) and \_\_\_\_\_ ~~November 10~~ (insert date). The statement is based on ~~ninety~~ \_\_\_\_\_ percent (~~90%~~) (**\_\_ %**) (**insert percent**) of your tax liability for taxes payable in (insert year), subject to **any adjustment to the tax liability as prescribed by the**

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**department of local government finance and adjustment** for any new construction on your property *or any damage to your property*. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under ~~IC 6-1.1-22-8;~~

**IC 6-1.1-22-8.1** for the ~~May~~ first installment of property taxes in the year in which the provisional tax statement is issued; and

(6) include any other information the county treasurer requires.

SECTION 82. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in subsection (b), subsection (c), and section 12 of this chapter, property taxes billed on a provisional statement are due in two (2) equal installments ~~on May 10 and November 10 of~~ in the year following the assessment date covered by the provisional statement.

(b) If in a county the notices of general reassessment under ~~IC 6-1.1-4-4~~ or notices of assessment under ~~IC 6-1.1-4-4.5~~ for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year; the property taxes that would otherwise be due under subsection (a) ~~on May 10 of the immediately succeeding calendar year~~ are **The first installment is** due on the later of:

(1) May 10 of the immediately succeeding calendar year **following the year of the assessment date covered by the provisional statement;** or

(2) ~~forty-five (45)~~ **thirty (30)** days after the mailing or transmittal of provisional statements.

(c) If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) ~~on November 10 of the immediately succeeding calendar year referred to in subsection (b)~~ are **The second installment is** due on the later of:

(1) November 10 of the immediately succeeding calendar year **following the year of the assessment date covered by the provisional statement;** or

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(2) a date determined by the county treasurer that is not later than December 31 of the ~~immediately succeeding calendar~~ year **following the year of the assessment date covered by the provisional statement.**

SECTION 83. IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement **must be on a form prescribed by the department of local government finance and** must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement;

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; or

(iii) the date specified in an ordinance adopted under section 18.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the

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1 due date of the second installment specified in the provisional  
2 statement.

3 (c) A reconciling statement prepared under subsection (b) **must be**  
4 **on a form prescribed by the department of local government**  
5 **finance and** must indicate:

6 (1) the actual property tax liability under this article on the  
7 assessment determined for the assessment date for the property  
8 for which the reconciling statement is issued;

9 (2) the total amount of the first installment paid under the  
10 provisional statement for the property for which the reconciling  
11 statement is issued;

12 (3) if the amount under subdivision (1) exceeds the amount under  
13 subdivision (2), the adjusted amount of the second installment  
14 that is payable by the taxpayer:

15 (A) as a final reconciliation of the tax liability; and

16 (B) not later than:

17 (i) November 10; or

18 (ii) if the county treasurer requests in writing that the  
19 commissioner designate a later date, the date designated by  
20 the commissioner; and

21 (4) if the amount under subdivision (2) exceeds the amount under  
22 subdivision (1), that the taxpayer may claim a refund of the excess  
23 under IC 6-1.1-26.

24 SECTION 84. IC 6-1.1-28-1, AS AMENDED BY P.L.219-2007,  
25 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2009]: Sec. 1. (a) Each county shall have a county property  
27 tax assessment board of appeals composed of individuals who are at  
28 least eighteen (18) years of age and knowledgeable in the valuation of  
29 property. In addition to the county assessor, only one (1) other  
30 individual who is an officer or employee of a county or township may  
31 serve on the board of appeals in the county in which the individual is  
32 an officer or employee. Subject to subsections (d) and (e), the fiscal  
33 body of the county shall appoint two (2) individuals to the board. At  
34 least one (1) of the members appointed by the county fiscal body must  
35 be a certified level two or level three assessor-appraiser. Subject to  
36 subsections (d) and (e), the board of commissioners of the county shall  
37 appoint ~~two (2)~~ **three (3)** freehold members so that not more than three  
38 (3) of the five (5) members may be of the same political party and so  
39 that at least three (3) of the five (5) members are residents of the  
40 county. At least one (1) of the members appointed by the board of  
41 county commissioners must be a certified level two or level three  
42 assessor-appraiser. ~~If the county assessor is a certified level two or~~

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1 ~~level three assessor-appraiser~~, The board of county commissioners may  
 2 waive the requirement in this subsection that one (1) of the freehold  
 3 members appointed by the board of county commissioners must be a  
 4 certified level two or level three assessor-appraiser. A person appointed  
 5 to a property tax assessment board of appeals may serve on the  
 6 property tax assessment board of appeals of another county at the same  
 7 time. The members of the board shall elect a president. The employees  
 8 of the county assessor shall provide administrative support to the  
 9 property tax assessment board of appeals. The county assessor is a  
 10 ~~voting~~ **nonvoting** member of the property tax assessment board of  
 11 appeals. The county assessor shall serve as secretary of the board. The  
 12 secretary shall keep full and accurate minutes of the proceedings of the  
 13 board. A majority of the board that includes at least one (1) certified  
 14 level two or level three assessor-appraiser constitutes a quorum for the  
 15 transaction of business. Any question properly before the board may be  
 16 decided by the agreement of a majority of the whole board.

17 (b) The county assessor, county fiscal body, and board of county  
 18 commissioners may agree to waive the requirement in subsection (a)  
 19 that not more than three (3) of the five (5) members of the county  
 20 property tax assessment board of appeals may be of the same political  
 21 party if it is necessary to waive the requirement due to the absence of  
 22 certified level two or level three Indiana assessor-appraisers:

- 23 (1) who are willing to serve on the board; and
- 24 (2) whose political party membership status would satisfy the  
 25 requirement in subsection ~~(c)(1)~~: **(a)**.

26 (c) If the board of county commissioners is not able to identify at  
 27 least two (2) prospective freehold members of the county property tax  
 28 assessment board of appeals who are:

- 29 (1) residents of the county;
- 30 (2) certified level two or level three Indiana assessor-appraisers;
- 31 and
- 32 (3) willing to serve on the county property tax assessment board  
 33 of appeals;

34 it is not necessary that at least three (3) of the five (5) members of the  
 35 county property tax assessment board of appeals be residents of the  
 36 county.

37 (d) Except as provided in subsection (e), the term of a member of  
 38 the county property tax assessment board of appeals appointed under  
 39 subsection (a):

- 40 (1) is one (1) year; and
- 41 (2) begins January 1.

42 (e) If:

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(1) the term of a member of the county property tax assessment board of appeals appointed under subsection (a) expires;

(2) the member is not reappointed; and

(3) a successor is not appointed;

the term of the member continues until a successor is appointed.

SECTION 85. IC 6-1.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's duties are complete.

(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the department of local government finance under subsection (c) shall be paid by the county auditor, who shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.

(c) The department of local government finance may also call a session of the county property tax assessment board after completion of a ~~general~~ reassessment of real property **under a county's reassessment plan**. The department of local government finance shall fix the time for and duration of the session.

SECTION 86. IC 6-1.1-31-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) Except as provided in subsection (b), the department of local government finance may not adopt rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** after July 1 of the year before the year in which the ~~general cycle of~~ reassessment **under a county's reassessment plan** is scheduled to begin.

(b) If rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** are timely adopted under subsection (a) and are then disapproved by the attorney general for any reason under IC 4-22-2-32, the department of local government finance may modify the rules to cure the defect that resulted in disapproval by the attorney general, and may then take all actions necessary under IC 4-22-2 to readopt and to obtain approval of the rules. This process may be repeated as necessary until the rules are approved.

SECTION 87. IC 6-1.1-31.5-2, AS AMENDED BY P.L.146-2008, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Subject to section 3.5 of this chapter, the department shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

(1) computer software;

(2) software providers;

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- (3) computer service providers; and
- (4) computer equipment providers.
- (b) The rules of the department shall provide for:
  - (1) the effective and efficient administration of assessment laws;
  - (2) the prompt updating of assessment data;
  - (3) the administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5; and
  - (4) other information necessary to carry out the administration of the property tax assessment laws.

(c) After June 30, 2008, subject to section 3.5 of this chapter, a county:

- (1) may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a); and
- (2) may enter into a contract referred to in subdivision (1) **and any addendum to the contract** only if the department is a party to the contract **and the addendum**.

SECTION 88. IC 6-1.1-33.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. The division of data analysis shall:

- (1) conduct continuing studies in the areas in which the department of local government finance operates;
- (2) make periodic field surveys and audits of:
  - (A) tax rolls;
  - (B) plat books;
  - (C) building permits;
  - (D) real estate transfers; and
  - (E) other data that may be useful in checking property valuations or taxpayer returns;
- (3) make test checks of property valuations to serve as the bases for special reassessments under this article;
- (4) conduct biennially a coefficient of dispersion study for each township and county in Indiana;
- (5) conduct quadrennially a sales assessment ratio study for each township and county in Indiana;
- ~~(6) compute school assessment ratios under IC 6-1.1-34; and~~
- ~~(7)~~ (6) report annually to the executive director of the legislative services agency, in an electronic format under IC 5-14-6, the information obtained or determined under this section for use by the executive director and the general assembly, including:
  - (A) all information obtained by the division of data analysis

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from units of local government; and

(B) all information included in:

(i) the local government data base; and

(ii) any other data compiled by the division of data analysis.

SECTION 89. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) ~~of this chapter~~ to initiate a review with respect to the real property within a ~~township or county~~, **particular cycle under a county's reassessment plan** or a portion of the real property within a ~~township or county~~, **cycle**, the division of data analysis of the department shall determine for the real property under consideration and for ~~the township or county~~ **all groups of parcels within a particular cycle**, the variance between:

(1) the total assessed valuation of the real property within ~~the township or county~~, **all groups of parcels within a particular cycle**; and

(2) the total assessed valuation that would result if the real property within ~~the township or county~~ **all groups of parcels within a particular cycle** were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) ~~of this chapter~~ to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the

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coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

(2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

(1) cause the assessment of the property to be adjusted;

(2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and

(3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county

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reassessment fund.

SECTION 90. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. ~~Each~~ **In the year in which after a general assessment of real property becomes effective, reassessment cycle of real property under a county's reassessment plan is completed,** the department of local government finance shall compute a new assessment ratio for each school corporation ~~and a new state average assessment ratio.~~ **located in a county in which a supplemental county levy is imposed under IC 20-45-7 or IC 20-45-8.** In all other years, the department shall compute a new assessment ratio for **such** a school corporation ~~and a new state average assessment ratio~~ if the department finds that there has been sufficient reassessment or adjustment of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 91. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year ~~in~~ **after** which a ~~general reassessment takes effect.~~ **cycle under a county's reassessment plan is completed.** If the department of local government finance has not computed

(1) a new assessment ratio for a school corporation, ~~or~~

(2) a new state average assessment ratio;

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 92. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,

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SECTION 296, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A declaratory ordinance  
 adopted under section 2 of this chapter and confirmed under section 3  
 of this chapter must include a provision with respect to the allocation  
 and distribution of property taxes for the purposes and in the manner  
 provided in this section. The allocation provision must apply to the  
 entire economic development district. The allocation provisions must  
 require that any property taxes subsequently levied by or for the benefit  
 of any public body entitled to a distribution of property taxes on taxable  
 property in the economic development district be allocated and  
 distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of  
 the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date  
 with respect to which the allocation and distribution is made;  
 or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of  
 the respective taxing units. However, if the effective date of the  
 allocation provision of a declaratory ordinance is after March 1,  
 1985, and before January 1, 1986, and if an improvement to  
 property was partially completed on March 1, 1985, the unit may  
 provide in the declaratory ordinance that the taxes attributable to  
 the assessed value of the property as finally determined for March  
 1, 1984, shall be allocated to and, when collected, paid into the  
 funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the  
 property tax proceeds in excess of those described in subdivision  
 (1), as specified in the declaratory ordinance, shall be allocated to  
 the unit for the economic development district and, when  
 collected, paid into a special fund established by the unit for that  
 economic development district that may be used only to pay the  
 principal of and interest on obligations owed by the unit under  
 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of  
 industrial development programs in, or serving, that economic  
 development district. The amount not paid into the special fund  
 shall be paid to the respective units in the manner prescribed by  
 subdivision (1).

(3) When the money in the fund is sufficient to pay all  
 outstanding principal of and interest (to the earliest date on which  
 the obligations can be redeemed) on obligations owed by the unit  
 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing

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of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment **of a group of parcels under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

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(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 93. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

- (1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by
- (2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

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(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of **the** real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

- (A) has an ownership interest in an entity that contributed; or
- (B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

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The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 94. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

- (1) the allocation amount of the civil taxing unit for that calendar year; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

- (A) the attributed allocation amount of the civil taxing unit during that calendar year; by
- (B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The ~~local government tax control board established by IC 6-1.1-18.5-11~~ **department of local government finance** shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or

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1 other entity is attributed to another civil taxing unit under subsection  
 2 (a)(2), then the special taxing district, authority, board, or other entity  
 3 shall not be treated as having an attributed allocation amount of its  
 4 own. The ~~local government tax control board~~ **department of local**  
 5 **government finance** shall certify the attributed allocation amounts to  
 6 the appropriate county auditor. The county auditor shall then allocate  
 7 the certified shares among the civil taxing units of the auditor's county.

8 (d) Certified shares received by a civil taxing unit shall be treated  
 9 as additional revenue for the purpose of fixing its budget for the  
 10 calendar year during which the certified shares will be received. The  
 11 certified shares may be allocated to or appropriated for any purpose,  
 12 including property tax relief or a transfer of funds to another civil  
 13 taxing unit whose levy was attributed to the civil taxing unit in the  
 14 determination of its attributed allocation amount.

15 SECTION 95. IC 6-9-39-5, AS AMENDED BY P.L.3-2008,  
 16 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2009]: Sec. 5. (a) The fiscal body of a county may collect a  
 18 county option dog tax imposed under section 3 of this chapter by any  
 19 combination of the following methods:

20 (1) By designating one (1) or more persons in the county to  
 21 collect the tax.

22 (2) By requiring a person who harbors or keeps a taxable dog to  
 23 submit a complete and accurate county option dog tax return.

24 (3) By a method other than a method described in subdivision (1)  
 25 or (2) as determined by the fiscal body of the county.

26 (b) A designee under subsection (a)(1) may retain a fee from the tax  
 27 collected for each taxable dog in an amount determined by the fiscal  
 28 body not to exceed seventy-five cents (\$0.75). A designee shall remit  
 29 the balance of the money collected to the county treasurer by the tenth  
 30 day of each month.

31 (c) If a fiscal body chooses to collect a county option dog tax  
 32 imposed under section 3 of this chapter by requiring the submission of  
 33 a county option dog tax return under subsection (a), the county  
 34 treasurer may include a county option dog tax return form with every  
 35 property tax statement that is mailed to a person under  
 36 ~~IC 6-1.1-22-8.1(b)(1)~~. **IC 6-1.1-22-8.1(a)(1)**.

37 (d) The department of local government finance shall prescribe a  
 38 county option dog tax return form that a county may use for the  
 39 reporting of county option dog tax liability.

40 SECTION 96. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006,  
 41 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JANUARY 1, 2010]: Sec. 11. (a) The state board of accounts and the

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department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each ~~general~~ reassessment of **real property in an airport development zone under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 97. IC 14-33-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The board shall budget annually the necessary money to meet the probable expenses of operation and maintenance of the district, including the following:

- (1) Repairs.
- (2) Fees.
- (3) Salaries.
- (4) Depreciation on all depreciable assets.
- (5) Rents.
- (6) Supplies.

(b) **Subject to any budget review and approval required under this chapter**, the board ~~shall~~ **may** add **not more than** ten percent (10%) of the total for contingencies.

SECTION 98. IC 20-23-9-5, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall ~~submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 for~~ **hold** a factfinding hearing.

SECTION 99. IC 20-23-9-6, AS ADDED BY P.L.231-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. ~~(a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.~~

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(b) (a) At a factfinding hearing described in subsection (a), under section 5 of this chapter, the school property tax control board department of local government finance shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12.

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the school property tax control board department of local government finance shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, a school property tax control board the department of local government finance determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment; or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 7 of this chapter.

SECTION 100. IC 20-23-9-7, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2009]: Sec. 7. (a) If ~~a school property tax control board the~~  
**department of local government finance** makes a determination  
 under section 6(d) of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual  
 obligation calling for an annual outlay by the township  
 exceeding ten thousand dollars (\$10,000);

(C) purchasing personal property for a consideration greater  
 than ten thousand dollars (\$10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for  
 any calendar year;

until the township school has made all required payments under  
 section 6(b)(1) of this chapter and filed all required reports under  
 section 6(b)(3) of this chapter; and

(2) shall certify to the treasurer of state the amount of arrears  
 determined under section 6(b)(2) of this chapter.

(b) Upon being notified of the amount of arrears certified under  
 subsection (a)(2), the treasurer of state shall make payments from the  
 funds of state to the extent, but not in excess, of any amounts  
 appropriated by the general assembly for distribution to the township  
 school, deducting the payments from any amount distributed to the  
 township school.

SECTION 101. IC 20-26-11-23, AS AMENDED BY P.L.146-2008,  
 SECTION 473, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) If a transfer is ordered to  
 commence in a school year, where the transferor corporation has net  
 additional costs over savings (on account of any transfer ordered)  
 allocable to the calendar year in which the school year begins, and  
 where the transferee corporation does not have budgeted funds for the  
 net additional costs, the net additional costs may be recovered by one  
 (1) or more of the following methods in addition to any other methods  
 provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out  
 of the debt service levy and fund, or a loan from any state fund  
 made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would  
 otherwise become payable to the transferee corporation after such  
 calendar year under law.

(3) A grant or grants in the calendar year from any funds of the  
 state made available for the net additional costs.

(b) The net additional costs must be certified by the department of

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1 local government finance. ~~and any grant shall be made solely after~~  
 2 ~~affirmative recommendation of the school property tax control board.~~  
 3 Repayment of any advance or loan from the state shall be made from  
 4 state tuition support distributions or other money available to the  
 5 school corporation.

6 SECTION 102. IC 20-46-1-7, AS AMENDED BY P.L.146-2008,  
 7 SECTION 494, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) This section applies to a  
 9 school corporation that added an amount to the school corporation's  
 10 base tax levy before 2002 as the result of the approval of an excessive  
 11 tax levy by the majority of individuals voting in a referendum held in  
 12 the area served by the school corporation under IC 6-1.1-19-4.5 (before  
 13 its repeal).

14 (b) A school corporation may adopt a resolution before September  
 15 21, 2005, to transfer the power of the school corporation to levy the  
 16 amount described in subsection (a) from the school corporation's  
 17 general fund to the school corporation's fund. A school corporation that  
 18 adopts a resolution under this section shall, as soon as practicable after  
 19 adopting the resolution, send a certified copy of the resolution to the  
 20 department of local government finance and the county auditor. A  
 21 school corporation that adopts a resolution under this section may, for  
 22 property taxes first due and payable after 2005, levy an additional  
 23 amount for the fund that does not exceed the amount of the excessive  
 24 tax levy added to the school corporation's base tax levy before 2002.

25 (c) The power of the school corporation to impose the levy  
 26 transferred to the fund under this section expires December 31, 2012,  
 27 unless:

28 (1) the school corporation adopts a resolution to reimpose or  
 29 extend the levy; and

30 (2) the levy is approved, before January 1, 2013, by a majority of  
 31 the individuals who vote in a referendum that is conducted in  
 32 accordance with the requirements in this chapter.

33 As soon as practicable after adopting the resolution under subdivision  
 34 (1), the school corporation shall send a certified copy of the resolution  
 35 to the county auditor and the department of local government finance.  
 36 Upon receipt of the certified resolution, the ~~tax control board~~  
 37 **department of local government finance** shall proceed in the same  
 38 manner as the ~~tax control board department~~ would for any other levy  
 39 being reimposed or extended under this chapter. However, if requested  
 40 by the school corporation in the resolution adopted under subdivision  
 41 (1), the question of reimposing or extending a levy transferred to the  
 42 fund under this section may be combined with a question presented to

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the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under IC 6-1.1-19-4.5(c) (before its repeal) and this chapter, after June 30, 2006.

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.

SECTION 103. IC 20-46-3-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. A school corporation may petition the ~~tax control board~~ **department of local government finance** to impose a property tax to raise revenue for the purposes of the fund. However, before a school corporation may impose a property tax under this chapter, the school corporation must file a petition with the ~~tax control board~~ **department of local government finance** under IC 6-1.1-19. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed levy.
- (4) Any other item required by the ~~school property tax control board~~ **department of local government finance**.

SECTION 104. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18.5-9.9, the ~~tax control board may recommend to the~~ department of local government finance ~~that a~~ **may allow** a school corporation ~~be allowed~~ to establish a levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

- (1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.
- (2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 20-46-6 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

SECTION 105. IC 20-46-3-7, AS ADDED BY P.L.2-2006,

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SECTION 169, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2009]: Sec. 7. The department of local  
government finance shall review the petition of the school corporation  
and the recommendation of the tax control board and:

- (1) disapprove the petition if the petition does not comply with  
this section;
- (2) approve the petition; or
- (3) approve the petition with modifications.

SECTION 106. IC 20-46-5-9, AS ADDED BY P.L.2-2006,  
SECTION 169, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2009]: Sec. 9. After reviewing the plan, the  
department of local government finance shall certify its approval,  
disapproval, or modification of the plan to the governing body and the  
county auditor of the county. ~~The department of local government  
finance may seek the recommendation of the tax control board with  
respect to this determination.~~ The action of the department of local  
government finance with respect to the plan is final.

SECTION 107. IC 20-46-6-15, AS ADDED BY P.L.2-2006,  
SECTION 169, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2009]: Sec. 15. After a hearing on the petition  
under section 14 of this chapter, the department of local government  
finance shall certify its approval, disapproval, or modification of the  
plan to the governing body and the county auditor of the county. ~~The  
department of local government finance may seek the recommendation  
of the tax control board with respect to the department of local  
government finance's determination.~~

SECTION 108. IC 20-46-7-9, AS AMENDED BY P.L.146-2008,  
SECTION 511, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2009]: Sec. 9. (a) This section applies only to  
an obligation subject to section 8 of this chapter. This section does not  
apply to bonded indebtedness or lease rental agreements for which a  
school corporation:

- (1) after June 30, 2008, makes a preliminary determination as  
described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as  
described in IC 6-1.1-20-5; or
  - (2) in the case of bonds or lease rental agreements not subject to  
IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a  
resolution or ordinance authorizing the bonds or lease rental  
agreement after June 30, 2008.
- (b) The department of local government finance may:
- (1) approve;
  - (2) disapprove; or

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(3) modify then approve;  
 a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. ~~Before the department of local government finance approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.~~

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department of local government finance sends notice of the extension to the executive officer of the school corporation.

SECTION 109. IC 20-46-7-11, AS AMENDED BY P.L.146-2008, SECTION 513, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The department of local government finance in determining whether to approve or disapprove a school building construction project ~~and the tax control board in determining whether to recommend approval or disapproval of a school building construction project~~ shall consider the following factors:

- (1) The current and proposed square footage of school building space per student.
- (2) Enrollment patterns within the school corporation.
- (3) The age and condition of the current school facilities.
- (4) The cost per square foot of the school building construction project.
- (5) The effect that completion of the school building construction project would have on the school corporation's tax rate.
- (6) Any other pertinent matter.

(b) The authority of the department of local government finance to determine whether to approve or disapprove a school building construction project does not after June 30, 2008, include the authority to review or approve the financing of the school building construction project.

SECTION 110. IC 20-49-2-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. A nondisaster advancement to any school corporation under section 10 of this chapter may not exceed two hundred fifty thousand dollars (\$250,000). However, this dollar

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limitation is waived if:

- (1) the school corporation has an ~~adjusted~~ assessed valuation per ADA of less than eight thousand four hundred dollars (\$8,400); **and**
- (2) the school corporation's debt service fund tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation. ~~and~~
- ~~(3) the school property tax control board recommends a waiver of the limitation.~~

SECTION 111. IC 20-49-4-7, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:

- (1) that sustained a loss from a disaster;
- (2) whose ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM is within the lowest forty percent (40%) of the assessed valuation per ADM when compared with all school corporation ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM; or
- (3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 112. IC 20-49-4-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per student in ADM.

SECTION 113. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter, "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 114. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. As used in this chapter,

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"qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.
- (4) The treasurer of a qualifying county.
- (5) The county surveyor of a qualifying county.
- (6) A member of the land valuation committee in a qualifying county.
- (7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment of property to which IC 6-1.1-4-32 (repealed) applies, including information in the possession or control of an employee or a contractor of the official.
- (8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32 (repealed).

SECTION 115. IC 36-2-7-13, AS AMENDED BY P.L.146-2008, SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in ~~general~~ reassessment activities **under a county's reassessment plan**. This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 116. IC 36-3-1-5.1, AS AMENDED BY P.L.216-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.1. (a) Except for those duties that are reserved by law to the county sheriff in this section, the city-county legislative body may by majority vote adopt an ordinance, approved by the mayor, to consolidate the police department of the consolidated city and the county sheriff's department.

(b) The city-county legislative body may not adopt an ordinance under this section unless it first:

- (1) holds a public hearing on the proposed consolidation; and
- (2) determines that:
  - (A) reasonable and adequate police protection can be provided through the consolidation; and
  - (B) the consolidation is in the public interest.

(c) If an ordinance is adopted under this section, the consolidation shall take effect on the date specified in the ordinance.

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(d) Notwithstanding any other law, an ordinance adopted under this section must provide that the county sheriff's department shall be responsible for all the following for the consolidated city and the county under the direction and control of the sheriff:

- (1) County jail operations and facilities.
- (2) Emergency communications.
- (3) Security for buildings and property owned by:
  - (A) the consolidated city;
  - (B) the county; or
  - (C) both the consolidated city and county.
- (4) Service of civil process and collection of taxes under tax warrants.
- (5) Sex and violent offender registration.

(e) The following apply if an ordinance is adopted under this section:

- (1) The department of local government finance ~~on recommendation from the local government tax control board;~~ shall adjust the maximum permissible ad valorem property tax levy of the consolidated city and the county for property taxes first due and payable in the year a consolidation takes effect under this section. When added together, the adjustments under this subdivision must total zero (0).
- (2) The ordinance must specify which law enforcement officers of the police department and which law enforcement officers of the county sheriff's department shall be law enforcement officers of the consolidated law enforcement department.
- (3) The ordinance may not prohibit the providing of law enforcement services for an excluded city under an interlocal agreement under IC 36-1-7.
- (4) A member of the county police force who:
  - (A) was an employee beneficiary of the sheriff's pension trust before the consolidation of the law enforcement departments; and
  - (B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;
 remains an employee beneficiary of the sheriff's pension trust. The member retains, after the consolidation, credit in the sheriff's pension trust for service earned while a member of the county police force and continues to earn service credit in the sheriff's pension trust as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the sheriff's pension trust.

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1 (5) A member of the police department of the consolidated city  
2 who:

3 (A) was a member of the 1953 fund or the 1977 fund before  
4 the consolidation of the law enforcement departments; and

5 (B) after the consolidation becomes a law enforcement officer  
6 of the consolidated law enforcement department;

7 remains a member of the 1953 fund or the 1977 fund. The  
8 member retains, after the consolidation, credit in the 1953 fund or  
9 the 1977 fund for service earned while a member of the police  
10 department of the consolidated city and continues to earn service  
11 credit in the 1953 fund or the 1977 fund as a member of the  
12 consolidated law enforcement department for purposes of  
13 determining the member's benefits from the 1953 fund or the  
14 1977 fund.

15 (6) The ordinance must designate the merit system that shall  
16 apply to the law enforcement officers of the consolidated law  
17 enforcement department.

18 (7) The ordinance must designate who shall serve as a coapplicant  
19 for a warrant or an extension of a warrant under IC 35-33.5-2.

20 (8) The consolidated city may levy property taxes within the  
21 consolidated city's maximum permissible ad valorem property tax  
22 levy limit to provide for the payment of the expenses for the  
23 operation of the consolidated law enforcement department. The  
24 police special service district established under section 6 of this  
25 chapter may levy property taxes to provide for the payment of  
26 expenses for the operation of the consolidated law enforcement  
27 department within the territory of the police special service  
28 district. Property taxes to fund the pension obligation under  
29 IC 36-8-7.5 may be levied only by the police special service  
30 district within the police special service district. The consolidated  
31 city may not levy property taxes to fund the pension obligation  
32 under IC 36-8-7.5. Property taxes to fund the pension obligation  
33 under IC 36-8-8 for members of the 1977 police officers' and  
34 firefighters' pension and disability fund who were members of the  
35 police department of the consolidated city on the effective date of  
36 the consolidation may be levied only by the police special service  
37 district within the police special service district. Property taxes to  
38 fund the pension obligation under IC 36-8-10 for members of the  
39 sheriff's pension trust and under IC 36-8-8 for members of the  
40 1977 police officers' and firefighters' pension and disability fund  
41 who were not members of the police department of the  
42 consolidated city on the effective date of the consolidation may be

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1 levied by the consolidated city within the consolidated city's  
 2 maximum permissible ad valorem property tax levy. The assets of  
 3 the consolidated city's 1953 fund and the assets of the sheriff's  
 4 pension trust may not be pledged after the effective date of the  
 5 consolidation as collateral for any loan.

6 (9) The executive of the consolidated city shall provide for an  
 7 independent evaluation and performance audit, due before March  
 8 1 of the year following the adoption of the consolidation  
 9 ordinance and for the following two (2) years, to determine:

10 (A) the amount of any cost savings, operational efficiencies, or  
 11 improved service levels; and

12 (B) any tax shifts among taxpayers;  
 13 that result from the consolidation. The independent evaluation  
 14 and performance audit must be provided to the legislative council  
 15 in an electronic format under IC 5-14-6 and to the budget  
 16 committee.

17 SECTION 117. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,  
 18 SECTION 717, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) When performing the  
 20 real property reassessment duties **under a county's reassessment plan**  
 21 **as** prescribed by IC 6-1.1-4, a township assessor may receive per diem  
 22 compensation, in addition to salary, at a rate fixed by the county fiscal  
 23 body, for each day that the assessor is engaged in reassessment  
 24 activities.

25 (b) Subsection (a) applies regardless of whether professional  
 26 assessing services are provided to a township under contract.

27 SECTION 118. IC 36-7-14-39, AS AMENDED BY P.L.146-2008,  
 28 SECTION 738, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JANUARY 1, 2010]: Sec. 39. (a) As used in this section:

30 "Allocation area" means that part of a redevelopment project area  
 31 to which an allocation provision of a declaratory resolution adopted  
 32 under section 15 of this chapter refers for purposes of distribution and  
 33 allocation of property taxes.

34 "Base assessed value" means the following:

35 (1) If an allocation provision is adopted after June 30, 1995, in a  
 36 declaratory resolution or an amendment to a declaratory  
 37 resolution establishing an economic development area:

38 (A) the net assessed value of all the property as finally  
 39 determined for the assessment date immediately preceding the  
 40 effective date of the allocation provision of the declaratory  
 41 resolution, as adjusted under subsection (h); plus

42 (B) to the extent that it is not included in clause (A), the net

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1           assessed value of property that is assessed as residential  
 2           property under the rules of the department of local government  
 3           finance, as finally determined for any assessment date after the  
 4           effective date of the allocation provision.  
 5       (2) If an allocation provision is adopted after June 30, 1997, in a  
 6       declaratory resolution or an amendment to a declaratory  
 7       resolution establishing a redevelopment project area:  
 8           (A) the net assessed value of all the property as finally  
 9           determined for the assessment date immediately preceding the  
 10          effective date of the allocation provision of the declaratory  
 11          resolution, as adjusted under subsection (h); plus  
 12          (B) to the extent that it is not included in clause (A), the net  
 13          assessed value of property that is assessed as residential  
 14          property under the rules of the department of local government  
 15          finance, as finally determined for any assessment date after the  
 16          effective date of the allocation provision.  
 17       (3) If:  
 18           (A) an allocation provision adopted before June 30, 1995, in  
 19           a declaratory resolution or an amendment to a declaratory  
 20           resolution establishing a redevelopment project area expires  
 21           after June 30, 1997; and  
 22           (B) after June 30, 1997, a new allocation provision is included  
 23           in an amendment to the declaratory resolution;  
 24       the net assessed value of all the property as finally determined for  
 25       the assessment date immediately preceding the effective date of  
 26       the allocation provision adopted after June 30, 1997, as adjusted  
 27       under subsection (h).  
 28       (4) Except as provided in subdivision (5), for all other allocation  
 29       areas, the net assessed value of all the property as finally  
 30       determined for the assessment date immediately preceding the  
 31       effective date of the allocation provision of the declaratory  
 32       resolution, as adjusted under subsection (h).  
 33       (5) If an allocation area established in an economic development  
 34       area before July 1, 1995, is expanded after June 30, 1995, the  
 35       definition in subdivision (1) applies to the expanded part of the  
 36       area added after June 30, 1995.  
 37       (6) If an allocation area established in a redevelopment project  
 38       area before July 1, 1997, is expanded after June 30, 1997, the  
 39       definition in subdivision (2) applies to the expanded part of the  
 40       area added after June 30, 1997.  
 41       Except as provided in section 39.3 of this chapter, "property taxes"  
 42       means taxes imposed under IC 6-1.1 on real property. However, upon

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1 approval by a resolution of the redevelopment commission adopted  
 2 before June 1, 1987, "property taxes" also includes taxes imposed  
 3 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 4 commission adopted before June 1, 1987, a resolution to include within  
 5 the definition of property taxes taxes imposed under IC 6-1.1 on  
 6 depreciable personal property that has a useful life in excess of eight  
 7 (8) years, the commission may by resolution determine the percentage  
 8 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 9 that will be included within the definition of property taxes. However,  
 10 the percentage included must not exceed twenty-five percent (25%) of  
 11 the taxes imposed under IC 6-1.1 on all depreciable personal property.

12 (b) A declaratory resolution adopted under section 15 of this chapter  
 13 on or before the allocation deadline determined under subsection (i)  
 14 may include a provision with respect to the allocation and distribution  
 15 of property taxes for the purposes and in the manner provided in this  
 16 section. A declaratory resolution previously adopted may include an  
 17 allocation provision by the amendment of that declaratory resolution on  
 18 or before the allocation deadline determined under subsection (i) in  
 19 accordance with the procedures required for its original adoption. A  
 20 declaratory resolution or an amendment that establishes an allocation  
 21 provision after June 30, 1995, must specify an expiration date for the  
 22 allocation provision. For an allocation area established before July 1,  
 23 2008, the expiration date may not be more than thirty (30) years after  
 24 the date on which the allocation provision is established. For an  
 25 allocation area established after June 30, 2008, the expiration date may  
 26 not be more than twenty-five (25) years after the date on which the  
 27 allocation provision is established. However, with respect to bonds or  
 28 other obligations that were issued before July 1, 2008, if any of the  
 29 bonds or other obligations that were scheduled when issued to mature  
 30 before the specified expiration date and that are payable only from  
 31 allocated tax proceeds with respect to the allocation area remain  
 32 outstanding as of the expiration date, the allocation provision does not  
 33 expire until all of the bonds or other obligations are no longer  
 34 outstanding. The allocation provision may apply to all or part of the  
 35 redevelopment project area. The allocation provision must require that  
 36 any property taxes subsequently levied by or for the benefit of any  
 37 public body entitled to a distribution of property taxes on taxable  
 38 property in the allocation area be allocated and distributed as follows:

39 (1) Except as otherwise provided in this section, the proceeds of  
 40 the taxes attributable to the lesser of:

41 (A) the assessed value of the property for the assessment date  
 42 with respect to which the allocation and distribution is made;

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1 or  
 2 (B) the base assessed value;  
 3 shall be allocated to and, when collected, paid into the funds of  
 4 the respective taxing units.  
 5 (2) Except as otherwise provided in this section, property tax  
 6 proceeds in excess of those described in subdivision (1) shall be  
 7 allocated to the redevelopment district and, when collected, paid  
 8 into an allocation fund for that allocation area that may be used by  
 9 the redevelopment district only to do one (1) or more of the  
 10 following:  
 11 (A) Pay the principal of and interest on any obligations  
 12 payable solely from allocated tax proceeds which are incurred  
 13 by the redevelopment district for the purpose of financing or  
 14 refinancing the redevelopment of that allocation area.  
 15 (B) Establish, augment, or restore the debt service reserve for  
 16 bonds payable solely or in part from allocated tax proceeds in  
 17 that allocation area.  
 18 (C) Pay the principal of and interest on bonds payable from  
 19 allocated tax proceeds in that allocation area and from the  
 20 special tax levied under section 27 of this chapter.  
 21 (D) Pay the principal of and interest on bonds issued by the  
 22 unit to pay for local public improvements that are physically  
 23 located in or physically connected to that allocation area.  
 24 (E) Pay premiums on the redemption before maturity of bonds  
 25 payable solely or in part from allocated tax proceeds in that  
 26 allocation area.  
 27 (F) Make payments on leases payable from allocated tax  
 28 proceeds in that allocation area under section 25.2 of this  
 29 chapter.  
 30 (G) Reimburse the unit for expenditures made by it for local  
 31 public improvements (which include buildings, parking  
 32 facilities, and other items described in section 25.1(a) of this  
 33 chapter) that are physically located in or physically connected  
 34 to that allocation area.  
 35 (H) Reimburse the unit for rentals paid by it for a building or  
 36 parking facility that is physically located in or physically  
 37 connected to that allocation area under any lease entered into  
 38 under IC 36-1-10.  
 39 (I) For property taxes first due and payable before January 1,  
 40 2009, pay all or a part of a property tax replacement credit to  
 41 taxpayers in an allocation area as determined by the  
 42 redevelopment commission. This credit equals the amount

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determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the

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basis for the increment financing are made.  
 The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

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(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where

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reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of **real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of **the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

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SECTION 119. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008,  
SECTION 755, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2010]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area  
to which an allocation provision of a resolution adopted under section  
8 of this chapter refers for purposes of distribution and allocation of  
property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a  
declaratory resolution or an amendment to a declaratory  
resolution establishing an economic development area:

(A) the net assessed value of all the property as finally  
determined for the assessment date immediately preceding the  
effective date of the allocation provision of the declaratory  
resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net  
assessed value of property that is assessed as residential  
property under the rules of the department of local government  
finance, as finally determined for any assessment date after the  
effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a  
declaratory resolution or an amendment to a declaratory  
resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally  
determined for the assessment date immediately preceding the  
effective date of the allocation provision of the declaratory  
resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net  
assessed value of property that is assessed as residential  
property under the rules of the department of local government  
finance, as finally determined for any assessment date after the  
effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in  
a declaratory resolution or an amendment to a declaratory  
resolution establishing a redevelopment project area expires  
after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included  
in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for  
the assessment date immediately preceding the effective date of  
the allocation provision adopted after June 30, 1997, as adjusted

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under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.

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1 However, with respect to bonds or other obligations that were issued  
 2 before July 1, 2008, if any of the bonds or other obligations that were  
 3 scheduled when issued to mature before the specified expiration date  
 4 and that are payable only from allocated tax proceeds with respect to  
 5 the allocation area remain outstanding as of the expiration date, the  
 6 allocation provision does not expire until all of the bonds or other  
 7 obligations are no longer outstanding. The allocation provision may  
 8 apply to all or part of the redevelopment project area. The allocation  
 9 provision must require that any property taxes subsequently levied by  
 10 or for the benefit of any public body entitled to a distribution of  
 11 property taxes on taxable property in the allocation area be allocated  
 12 and distributed as follows:

13 (1) Except as otherwise provided in this section, the proceeds of  
 14 the taxes attributable to the lesser of:

15 (A) the assessed value of the property for the assessment date  
 16 with respect to which the allocation and distribution is made;

17 or

18 (B) the base assessed value;

19 shall be allocated to and, when collected, paid into the funds of  
 20 the respective taxing units.

21 (2) Except as otherwise provided in this section, property tax  
 22 proceeds in excess of those described in subdivision (1) shall be  
 23 allocated to the redevelopment district and, when collected, paid  
 24 into a special fund for that allocation area that may be used by the  
 25 redevelopment district only to do one (1) or more of the  
 26 following:

27 (A) Pay the principal of and interest on any obligations  
 28 payable solely from allocated tax proceeds that are incurred by  
 29 the redevelopment district for the purpose of financing or  
 30 refinancing the redevelopment of that allocation area.

31 (B) Establish, augment, or restore the debt service reserve for  
 32 bonds payable solely or in part from allocated tax proceeds in  
 33 that allocation area.

34 (C) Pay the principal of and interest on bonds payable from  
 35 allocated tax proceeds in that allocation area and from the  
 36 special tax levied under section 19 of this chapter.

37 (D) Pay the principal of and interest on bonds issued by the  
 38 consolidated city to pay for local public improvements that are  
 39 physically located in or physically connected to that allocation  
 40 area.

41 (E) Pay premiums on the redemption before maturity of bonds  
 42 payable solely or in part from allocated tax proceeds in that

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allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under

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IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under

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subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the redevelopment district under this

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1 section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 2 department of local government finance shall adjust the base assessed  
 3 value to neutralize any effect of the annual adjustment on the property  
 4 tax proceeds allocated to the redevelopment district under this section.  
 5 However, the adjustments under this subsection may not include the  
 6 effect of property tax abatements under IC 6-1.1-12.1, and these  
 7 adjustments may not produce less property tax proceeds allocable to  
 8 the redevelopment district under subsection (b)(2) than would  
 9 otherwise have been received if the ~~general~~ reassessment **under a**  
 10 **county's reassessment plan** or annual adjustment had not occurred.  
 11 The department of local government finance may prescribe procedures  
 12 for county and township officials to follow to assist the department in  
 13 making the adjustments.

14 (i) The allocation deadline referred to in subsection (b) is  
 15 determined in the following manner:

16 (1) The initial allocation deadline is December 31, 2011.

17 (2) Subject to subdivision (3), the initial allocation deadline and  
 18 subsequent allocation deadlines are automatically extended in  
 19 increments of five (5) years, so that allocation deadlines  
 20 subsequent to the initial allocation deadline fall on December 31,  
 21 2016, and December 31 of each fifth year thereafter.

22 (3) At least one (1) year before the date of an allocation deadline  
 23 determined under subdivision (2), the general assembly may enact  
 24 a law that:

25 (A) terminates the automatic extension of allocation deadlines  
 26 under subdivision (2); and

27 (B) specifically designates a particular date as the final  
 28 allocation deadline.

29 SECTION 120. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008,  
 30 SECTION 765, IS AMENDED TO READ AS FOLLOWS  
 31 [EFFECTIVE JANUARY 1, 2010]: Sec. 53. (a) As used in this section:

32 "Allocation area" means that part of a redevelopment project area  
 33 to which an allocation provision of a resolution adopted under section  
 34 40 of this chapter refers for purposes of distribution and allocation of  
 35 property taxes.

36 "Base assessed value" means:

37 (1) the net assessed value of all the property as finally determined  
 38 for the assessment date immediately preceding the effective date  
 39 of the allocation provision of the declaratory resolution, as  
 40 adjusted under subsection (h); plus

41 (2) to the extent that it is not included in subdivision (1), the net  
 42 assessed value of property that is assessed as residential property

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under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax

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proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the

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allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with

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respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half

(1/2) of the enrollment in any session for residents of the

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enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment **of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31,

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2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 121. IC 36-7-30-25, AS AMENDED BY P.L.146-2008, SECTION 770, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory

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1 resolution previously adopted may include an allocation provision by  
 2 the amendment of that declaratory resolution in accordance with the  
 3 procedures set forth in section 13 of this chapter. The allocation  
 4 provision may apply to all or part of the military base reuse area. The  
 5 allocation provision must require that any property taxes subsequently  
 6 levied by or for the benefit of any public body entitled to a distribution  
 7 of property taxes on taxable property in the allocation area be allocated  
 8 and distributed as follows:

9 (1) Except as otherwise provided in this section, the proceeds of  
 10 the taxes attributable to the lesser of:

11 (A) the assessed value of the property for the assessment date  
 12 with respect to which the allocation and distribution is made;  
 13 or

14 (B) the base assessed value;

15 shall be allocated to and, when collected, paid into the funds of  
 16 the respective taxing units.

17 (2) Except as otherwise provided in this section, property tax  
 18 proceeds in excess of those described in subdivision (1) shall be  
 19 allocated to the military base reuse district and, when collected,  
 20 paid into an allocation fund for that allocation area that may be  
 21 used by the military base reuse district and only to do one (1) or  
 22 more of the following:

23 (A) Pay the principal of and interest and redemption premium  
 24 on any obligations incurred by the military base reuse district  
 25 or any other entity for the purpose of financing or refinancing  
 26 military base reuse activities in or directly serving or  
 27 benefiting that allocation area.

28 (B) Establish, augment, or restore the debt service reserve for  
 29 bonds payable solely or in part from allocated tax proceeds in  
 30 that allocation area or from other revenues of the reuse  
 31 authority, including lease rental revenues.

32 (C) Make payments on leases payable solely or in part from  
 33 allocated tax proceeds in that allocation area.

34 (D) Reimburse any other governmental body for expenditures  
 35 made for local public improvements (or structures) in or  
 36 directly serving or benefiting that allocation area.

37 (E) For property taxes first due and payable before 2009, pay  
 38 all or a part of a property tax replacement credit to taxpayers  
 39 in an allocation area as determined by the reuse authority. This  
 40 credit equals the amount determined under the following  
 41 STEPS for each taxpayer in a taxing district (as defined in  
 42 IC 6-1.1-1-20) that contains all or part of the allocation area:

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STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

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(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next

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assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1)

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1 time to neutralize any effect of the ~~general~~ reassessment of the real  
 2 **property in the area under a county's reassessment plan** on the  
 3 property tax proceeds allocated to the military base reuse district under  
 4 this section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 5 department of local government finance shall adjust the base assessed  
 6 value to neutralize any effect of the annual adjustment on the property  
 7 tax proceeds allocated to the military base reuse district under this  
 8 section. However, the adjustments under this subsection may not  
 9 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 10 these adjustments may not produce less property tax proceeds allocable  
 11 to the military base reuse district under subsection (b)(2) than would  
 12 otherwise have been received if the ~~general~~ reassessment **under a**  
 13 **county's reassessment plan** or annual adjustment had not occurred.  
 14 The department of local government finance may prescribe procedures  
 15 for county and township officials to follow to assist the department in  
 16 making the adjustments.

17 SECTION 122. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,  
 18 SECTION 772, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JANUARY 1, 2010]: Sec. 30. (a) The following  
 20 definitions apply throughout this section:

21 (1) "Allocation area" means that part of a military base  
 22 development area to which an allocation provision of a  
 23 declaratory resolution adopted under section 16 of this chapter  
 24 refers for purposes of distribution and allocation of property taxes.

25 (2) "Base assessed value" means:

26 (A) the net assessed value of all the property as finally  
 27 determined for the assessment date immediately preceding the  
 28 adoption date of the allocation provision of the declaratory  
 29 resolution, as adjusted under subsection (h); plus

30 (B) to the extent that it is not included in clause (A) or (C), the  
 31 net assessed value of any and all parcels or classes of parcels  
 32 identified as part of the base assessed value in the declaratory  
 33 resolution or an amendment to the declaratory resolution, as  
 34 finally determined for any subsequent assessment date; plus

35 (C) to the extent that it is not included in clause (A) or (B), the  
 36 net assessed value of property that is assessed as residential  
 37 property under the rules of the department of local government  
 38 finance, as finally determined for any assessment date after the  
 39 effective date of the allocation provision.

40 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
 41 property.

42 (b) A declaratory resolution adopted under section 16 of this chapter

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before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or ~~benefitting~~ **benefiting** that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers

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in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or ~~benefitting~~ **benefitting** the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than

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three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development

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1 district under subsection (b)(2) may, subject to subsection (b)(3), be  
 2 irrevocably pledged by the military base development district for  
 3 payment as set forth in subsection (b)(2).

4 (e) Notwithstanding any other law, each assessor shall, upon  
 5 petition of the development authority, reassess the taxable property  
 6 situated upon or in or added to the allocation area, effective on the next  
 7 assessment date after the petition.

8 (f) Notwithstanding any other law, the assessed value of all taxable  
 9 property in the allocation area, for purposes of tax limitation, property  
 10 tax replacement, and the making of the budget, tax rate, and tax levy  
 11 for each political subdivision in which the property is located is the  
 12 lesser of:

- 13 (1) the assessed value of the property as valued without regard to  
 14 this section; or  
 15 (2) the base assessed value.

16 (g) If any part of the allocation area is located in an enterprise zone  
 17 created under IC 5-28-15, the development authority shall create funds  
 18 as specified in this subsection. A development authority that has  
 19 obligations, bonds, or leases payable from allocated tax proceeds under  
 20 subsection (b)(2) shall establish an allocation fund for the purposes  
 21 specified in subsection (b)(2) and a special zone fund. The  
 22 development authority shall, until the end of the enterprise zone phase  
 23 out period, deposit each year in the special zone fund any amount in the  
 24 allocation fund derived from property tax proceeds in excess of those  
 25 described in subsection (b)(1) from property located in the enterprise  
 26 zone that exceeds the amount sufficient for the purposes specified in  
 27 subsection (b)(2) for the year. The amount sufficient for purposes  
 28 specified in subsection (b)(2) for the year shall be determined based on  
 29 the pro rata part of such current property tax proceeds from the part of  
 30 the enterprise zone that is within the allocation area as compared to all  
 31 such current property tax proceeds derived from the allocation area. A  
 32 development authority that does not have obligations, bonds, or leases  
 33 payable from allocated tax proceeds under subsection (b)(2) shall  
 34 establish a special zone fund and deposit all the property tax proceeds  
 35 in excess of those described in subsection (b)(1) that are derived from  
 36 property in the enterprise zone in the fund. The development authority  
 37 that creates the special zone fund shall use the fund (based on the  
 38 recommendations of the urban enterprise association) for programs in  
 39 job training, job enrichment, and basic skill development that are  
 40 designed to benefit residents and employers in the enterprise zone or  
 41 for other purposes specified in subsection (b)(2), except that where  
 42 reference is made in subsection (b)(2) to an allocation area it shall refer

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for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ **reassessment of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ **reassessment of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the ~~general~~ **reassessment under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 123. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each ~~general~~ **reassessment of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ **reassessment of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.

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SECTION 124. IC 36-8-15-19, AS AMENDED BY P.L.146-2008, SECTION 784, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19. (a) This subsection applies to a county that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the ~~board~~, **department of local government finance**, which shall review and set the budget, levy, and

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rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the ~~board~~, **department of local government finance**, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 125. IC 36-9-41-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A political subdivision borrowing money under section 3 of this chapter shall execute and deliver to the financial institution the negotiable note of the political subdivision for the sum borrowed. The note must bear interest, with both principal and interest payable in equal or approximately equal installments on January 1 and July 1 each year over a period not exceeding ~~six (6)~~ **ten (10)** years.

SECTION 126. IC 6-1.1-8-23 IS REPEALED [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)].

SECTION 127. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 6-1.1-18.5-11; IC 6-1.1-19-4.1; IC 6-1.1-34-3; IC 20-18-2-21.5; IC 20-45-1-5.

SECTION 128. [EFFECTIVE UPON PASSAGE] (a) **This SECTION applies only to an entity and to property that meets all of the following conditions:**

(1) **The entity is a nonprofit religious affiliated school that has been in existence for more than forty-five (45) years in a county containing a consolidated city.**

(2) **The entity received a gift of real property and**

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improvements that for the assessment date in 2005 was exempt from property taxes under IC 6-1.1-10.

(3) The entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property for the assessment date in 2006.

(4) For the assessment dates in 2006, 2007, and 2008:

(A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property; and

(B) the entity's property was subject to taxation.

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application or statement for property tax exemption must be filed to claim or continue an exemption for a particular assessment date, an entity described in subsection (a) may before July 1, 2009, file with the county assessor:

(1) an application for property tax exemption for the 2006 assessment date;

(2) a statement to continue the property tax exemption for the 2007 assessment date; and

(3) an application for property tax exemption for the 2008 assessment date.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application or statement for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the applications and statement to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment dates in 2006, 2007, and 2008 for property tax exemption if the board determines that:

(1) the entity's applications and statement for property tax exemption satisfy the requirements of this SECTION; and

(2) the entity's property was, except for the failure to timely file an application or statement for property tax exemption, otherwise eligible for the claimed exemption.

If an entity is granted an exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's property shall be canceled by the county treasurer.

(d) If an entity has previously paid the tax liability for property with respect to the 2006, 2007, or 2008 assessment date and the property is granted an exemption under this SECTION for the assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall,

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1 without an appropriation being required, issue a warrant to the  
 2 entity payable from the county general fund for the amount of the  
 3 refund, if any, due the entity. No interest is payable on the refund.  
 4 (e) This SECTION expires January 1, 2010.  
 5 SECTION 129. [EFFECTIVE JULY 1, 2009] (a) IC 6-1.1-12-9, as  
 6 amended by this act, applies to property taxes first due and  
 7 payable after December 31, 2009.  
 8 (b) This SECTION expires January 1, 2013.  
 9 SECTION 130. An emergency is declared for this act.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 561, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 17 through 42.

Delete pages 3 through 4.

Page 5, delete lines 1 through 7, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) ~~A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000; and be the basis for taxes payable in 2003.~~ **The county assessor of each county shall, before January 1, 2010, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:**

- (1) **The reassessment plan is subject to approval by the department of local government finance.**
- (2) **The department of local government finance shall determine the classes of real property to be used for purposes of this section.**
- (3) **Except as provided in subsection (b), the reassessment plan must divide all parcels of real property in the county into five**
- (4) **different groups of parcels. Each group of parcels must contain approximately twenty percent (20%) of the parcels within each class of real property in the county.**
- (5) **Except as provided in subsection (b), all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each five (5) year cycle.**
- (6) **The reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year.**
- (7) **The reassessment of parcels:**
  - (A) **must include a physical inspection of each parcel of real property in the group of parcels that is being reassessed; and**
  - (B) **shall be completed on or before March 1 of the year after the year in which the reassessment of the group of parcels begins.**
- (8) **For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be**

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completed.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009, and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

(b) A county may submit a reassessment plan that provides for reassessing more than twenty percent (20%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a five (5) year period and provide that at least twenty percent (20%) of all parcels will be reassessed each year during the five (5) year period. Each group of parcels must contain approximately an equal percentage of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.

(c) The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2010, and shall be completed on or before March 1, 2011.

SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a ~~general~~ reassessment **of under a county's reassessment plan for the** property last took effect.

(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment **under the county's reassessment plan for the property** becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

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(2) Require that assessing officials:

- (A) reevaluate the factors that affect value;
- (B) express the interactions of those factors mathematically;
- (C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and
- (D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

SECTION 4. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.6. The following apply to a county that is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance:**

**(1) The county shall have a trending factor based on property class, location, and age developed and applied to the assessed values of properties within the county. The trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular property tax assessments and property tax billing before the start of the next general reassessment.**

**(2) The department of local government finance shall develop the trending factors under this section. The trending factors must be derived from ratio studies or other market analyses, such as sales disclosure forms or government studies, as determined by the department of local government finance.**

**(3) The trending factors shall be provided by the department of local government finance to the county assessor for application to the assessed values of the properties in the county as directed by the department of local government finance.**

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(4) Trending factors may be developed and applied under this section to the assessed values of properties within a county more than once if the county is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance after a previous application under this section of trending factors to properties in the county.

SECTION 5. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A petition for the reassessment of a real property situated within a township group designated under a county's reassessment plan may be filed with the department of local government finance on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made: not later than forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.

(b) The petition for reassessment must be signed by not less than the following percentage of all the owners of taxable the lesser of one hundred (100) real property who reside in the township: owners of parcels in the group or five percent (5%) of real property owners of parcels in the group.

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

(5) two percent (2%) for a township containing all or part of an incorporated city which has a population of more than fifty thousand (50,000) but not exceeding one hundred fifty thousand (150,000); or

(6) one percent (1%) for a township containing all or part of an incorporated city which has a population of more than one hundred fifty thousand (150,000).

The signatures on the petition must be verified by the oath of one (1) or more of the signers. And, A certificate of the county auditor stating

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that the signers constitute the required number of ~~resident~~ owners of taxable real property ~~of the township in the group of parcels~~ must accompany the petition.

**(c) Upon receipt of a petition under subsection (a), the department of local government finance may order a reassessment under section 9 of this chapter or conduct a reassessment under section 31.5 of this chapter.**

SECTION 6. IC 6-1.1-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. If the department of local government finance determines that a petition filed under section 5 of this chapter has been signed by the required number of petitioners and that the present assessed value of any real property is inequitable, the department of local government finance shall order a reassessment of the real property ~~which has been inequitably assessed~~ **in the group for which the petition was filed.** The order shall specify the time within which the reassessment shall be completed and the date on which the reassessment shall become effective.

SECTION 7. IC 6-1.1-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. In order to maintain a just and equitable valuation of real property, the department of local government finance may adopt a resolution declaring its belief that it is necessary to reassess all or a portion of the real property located within this state. If the department of local government finance adopts a reassessment resolution and if ~~either a township or a larger area is~~ **one (1) or more groups of parcels under the county's reassessment plan** are involved, the department shall hold a hearing concerning the necessity for the reassessment at the courthouse of the county in which the property is located. The department of local government finance shall give notice of the time and place of the hearing in the manner provided in section 10 of this chapter. After the hearing, or if the area involved is ~~less than a township~~, **only one (1) group of parcels under the county's reassessment plan**, after the adoption of the resolution of the department of local government finance, the department may order any reassessment it deems necessary. The order shall specify the time within which the reassessment must be completed and the date the reassessment will become effective.

SECTION 8. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13.6. (a) The ~~township assessor, or the county assessor if there is no township assessor for the township~~, shall determine the values of all classes of commercial, industrial, and

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residential land (including farm homesites) in the township or county using guidelines determined by the department of local government finance. Not later than November 1, ~~of the year preceding the year in which a general reassessment becomes effective; 2010, and every fifth year thereafter,~~ the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. ~~Not later than December 1 of the year, preceding the year in which a general reassessment becomes effective;~~ the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1, ~~and shall hold the hearing after March 31 and before December 1 of the year, preceding the year in which the general reassessment under section 4 of this chapter becomes effective.~~

(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor fails to submit ~~determine~~ land values under subsection (a) ~~to the county property tax assessment board of appeals before the November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective;~~ **deadline,** the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the ~~general reassessment becomes~~ **land values become** effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county (if any) of the values. ~~as modified by the county property tax assessment board of appeals.~~ Assessing officials shall use the values determined under this section.

(d) ~~A petition for the review of the land values determined by a county assessor under this section may be filed with the department of local government finance not later than forty-five (45) days after the county assessor makes the determination of the land values. The petition must be signed by at least the lesser of:~~

- (1) one hundred (100) property owners in the county; or
- (2) five percent (5%) of the property owners in the county.



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(e) Upon receipt of a petition for review under subsection (d), the department of local government finance:

- (1) shall review the land values determined by the county assessor; and
  - (2) after a public hearing, shall:
    - (A) approve;
    - (B) modify; or
    - (C) disapprove;
- the land values.

SECTION 9. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 16. (a) For purposes of making a ~~general~~ reassessment of real property **under a county's reassessment plan** or annual adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:
  - (A) qualified to determine real property values;
  - (B) professional appraisers certified under 50 IAC 15; and
  - (C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 10. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract **and any addendum to the employment contract**.

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a ~~general~~ reassessment **under a county's reassessment plan** is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7."

Page 6, between lines 3 and 4, begin a new paragraph and insert:

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"SECTION 12. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 20. The department of local government finance may establish a period, with respect to each ~~general~~ reassessment **under a county's reassessment plan**, that is the only time during which a county assessor may enter into a contract with a professional appraiser. ~~The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.~~

SECTION 13. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21. (a) ~~If during a period of general reassessment, a county assessor personally makes the real property appraisals, The appraisals of the parcels in a group under a county's reassessment plan and~~ subject to taxation must be completed as follows:

(1) The appraisal of ~~one-fourth (1/4)~~ **one-third (1/3)** of the parcels shall be completed before ~~December~~ **October** 1 of the year in which the ~~general group's~~ **reassessment under the county reassessment plan** begins.

(2) The appraisal of ~~one-half (1/2)~~ **two-thirds (2/3)** of the parcels shall be completed before ~~May~~ **January** 1 of the year following the year in which the ~~general group's~~ **reassessment under the county reassessment plan** begins.

(3) ~~The appraisal of three-fourths (3/4) of the parcels shall be completed before October 1 of the year following the year in which the general reassessment begins.~~

(4) **(3)** The appraisal of all the parcels shall be completed before March 1 of the ~~second~~ year following the year in which the ~~general group's~~ **reassessment under the county reassessment plan** begins.

(b) If a county assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals ~~during a period of general reassessment, of a group of parcels under a county's reassessment plan~~, the professional appraiser or appraisal firm must file appraisal reports with the county assessor ~~as follows~~:

(1) ~~The appraisals for one-fourth (1/4) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.~~

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(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins.

by the dates set forth in subsection (a). However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures."

Page 6, delete lines 23 through 42.

Page 7, delete lines 1 through 27, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a ~~general~~ reassessment of real property ~~that is to commence on July 1, 2014, and each fifth year thereafter, under a county's reassessment plan after December 31, 2009,~~ the county council of each county shall, for property taxes due ~~in the year that the general reassessment is to commence and the four (4) years preceding that each year,~~ levy against all the taxable property in the county an amount equal to ~~one-fifth (1/5) of~~ the estimated costs of the ~~general~~ reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower

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the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan; or

(2) making annual adjustments under section 4.5 of this chapter; has changed.

(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 16. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the ~~general~~ reassessment of real property under a county's reassessment plan, including the computerization of assessment records;

(2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books;

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:

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- (A) the county assessor; or
- (B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the ~~general~~ reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 17. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a ~~general~~ reassessment **of a group of parcels under a county's reassessment plan**, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The assessing officials in the county, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.

SECTION 18. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. In making any assessment or reassessment of real property in the interim between ~~general~~ reassessments **of that real property under a county's reassessment plan**, the rules, regulations, and standards for assessment are the same as those used **for that real property** in the preceding ~~general~~ reassessment **of that group of parcels under a county's**

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**reassessment plan.**

SECTION 19. IC 6-1.1-4-31, AS AMENDED BY P.L.146-2008, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

- (1) a ~~general~~ reassessment of property **under a county's reassessment plan**;
- (2) work required to be performed by local officials under 50 IAC 21; and
- (3) other property assessment activities in the county, as determined by the department.

The department of local government finance may inform township assessors (if any), county assessors, and the presidents of county councils in writing if its check reveals that ~~the general~~ a reassessment or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that:

- (1) the ~~general~~ reassessment **under a county's reassessment plan** or other property assessment activities are being properly conducted;
  - (2) work required to be performed by local officials under 50 IAC 21 is being properly conducted; or
  - (3) property assessments are being properly made.
- (c) If the department of local government finance:

- (1) determines under subsection (a) that a ~~general~~ reassessment **under a county's reassessment plan** or other assessment activities ~~for a general reassessment year or any other year~~ are not being properly conducted; and
- (2) informs:
  - (A) the township assessor (if any) of each affected township;
  - (B) the county assessor; and
  - (C) the president of the county council;
 in writing under subsection (a);

the department may order a state conducted assessment or reassessment under section 31.5 of this chapter to begin not less than sixty (60) days after the date of the notice under subdivision (2). ~~If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the state conducted~~

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assessment or reassessment that the general reassessment or other assessment activities for the general reassessment are being properly conducted; the department may rescind the order.

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor of each affected township (if any);

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the work or having the work conducted that work required to be performed by local officials under 50 IAC 21 is being properly conducted, the department may rescind the order.

(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may adopt an ordinance to do either or both of the following:

(1) Determine that:

(A) the information indicates that the county assessor has failed to perform adequately the duties of county assessor; and

(B) by that failure the county assessor forfeits the office of county assessor and is subject to removal from office by an information filed under IC 34-17-2-1(b).

(2) Determine that:

(A) the information indicates that one (1) or more township assessors in the county have failed to perform adequately the duties of township assessor; and

(B) by that failure the township assessor or township assessors forfeit the office of township assessor and are subject to removal from office by an information filed under

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IC 34-17-2-1(b).

(g) A city-county council that is informed by the department of local government finance under subsection (a) may adopt an ordinance making the determination or determinations referred to in subsection (f).

SECTION 20. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 31.5. (a) As used in this section, "department" refers to the department of local government finance.

(b) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county subject to the time limitation in that subsection.

(c) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county assessor. Notwithstanding sections 15 and 17 of this chapter, a county assessor subject to an order issued under this section may not assess property or have property assessed for the assessment or ~~general~~ reassessment **under a county's reassessment plan**. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of the county assessor are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(d) Before assuming the duties of a county assessor, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county assessor, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(e) A county assessor subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and

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(8) other information;  
related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a ~~general~~ reassessment **under a county's reassessment plan** and is subject to IC 6-1.1-37-2.

(f) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(g) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (f), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(h) The department shall forward a bill for services provided under a contract described in subsection (f) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (i).

(i) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (f), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
  - (A) approval of the form and amount of the bill; and
  - (B) a certification that the billed goods and services have been

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received and comply with the contract; and

(3) files with the county auditor:

- (A) a duplicate copy of the bill submitted to the department;
- (B) proof of the department's approval of the form and amount of the bill; and
- (C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the date the claim is certified by the county fiscal officer if the procedures in IC 5-11-10-2 are used to approve the claim or the date the claim is placed on the claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are used to approve the claim. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

(k) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(l) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county

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subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessing officials of the land values determined under this subsection.

(m) A contractor of the department may notify the department if:

(1) a county auditor fails to:

- (A) certify the contractor's bill;
- (B) publish the contractor's claim;
- (C) submit the contractor's claim to the county executive; or
- (D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (i) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (i) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(n) The department, upon receiving notice under subsection (m) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

- (A) a failure occurred as described in subsection (m)(1) or (m)(2); or
- (B) a person or an entity acted or failed to act as described in subsection (m)(3); and

(2) provide to the treasurer of state the department's approval under subsection (i)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (m).

(o) Upon receipt of the department's approval of a contractor's bill under subsection (n), the treasurer of state shall pay the contractor the

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amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions of admissions taxes or wagering taxes.

(p) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a county described in a notice provided under subsection (m) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (o). Money shall be withheld from any source payable to the county.

(q) Compliance with subsections (m) through (p) constitutes compliance with IC 5-11-10.

(r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (m) through (p). This subsection and subsections (m) through (p) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(s) The provisions of this section are severable as provided in IC 1-1-1-8(b)."

Page 8, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 7. (a) The fixed property of a bus company consists of ~~real property and tangible personal property which is located within or on the~~ real property.

(b) A bus company's property which is not described in subsection (a) is indefinite-situs distributable property. This property includes, but is not limited to, buses and other mobile equipment. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bus company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 29. IC 6-1.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 8. (a) The fixed property of an express company consists of real

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property. ~~and tangible personal property which has a definite situs.~~ The remainder of the express company's property is indefinite-situs distributable property.

(b) The department of local government finance shall apportion and distribute the assessed valuation of an express company's indefinite-situs distributable property among the taxing districts in which the fixed property of the company is located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the express company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's fixed property which is located in the taxing district, and the denominator of which is the value of the company's fixed property which is located in this state.

SECTION 30. IC 6-1.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

9. (a) The fixed property of a light, heat, or power company consists of

~~(1) automotive and other mobile equipment;~~

~~(2) office furniture and fixtures;~~

~~(3) other tangible personal property which is not used as part of the company's production plant, transmission system, or distribution system; and~~

~~(4) real property which is not part of the company's right-of-ways, transmission system, or distribution system.~~

(b) A light, heat, or power company's property which is not described as fixed property in subsection (a) of this section is definite-situs distributable property. This property includes, but is not limited to, turbo-generators, boilers, transformers, transmission lines, distribution lines, and pipe lines.

SECTION 31. IC 6-1.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

10. (a) The fixed property of a pipe line company consists of

~~(1) real property which is not part of a pipe line or right-of-way of the company. and~~

~~(2) tangible personal property which is not part of the company's distribution system.~~

(b) A pipe line company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's pipe lines are located. The amount which the department of local government finance shall distribute to a taxing district equals the

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product of (1) the total assessed valuation of the pipe line company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's pipe lines in the taxing district, and the denominator of which is the length of the company's pipe lines in this state.

SECTION 32. IC 6-1.1-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

11. (a) The fixed property of the railroad company consists of real property which is not required for the operation of the railroad. ~~and tangible personal property which is located within or on that real property.~~ The remaining property of the railroad company is distributable property.

(b) A railroad company's definite-situs distributable property consists of the company's:

- (1) rights-of-way and road beds;
- (2) station and depot grounds;
- (3) yards, yard sites, superstructures, turntable, and turnouts;
- (4) tracks;
- (5) telegraph poles, wires, instruments, and other appliances, which are located on the right-of-ways; and
- (6) any other buildings or fixed situs personal property used in the operation of the railroad.

(c) A railroad company's property which is not described in subsection (a) or (b) is indefinite-situs distributable property. This property includes, but is not limited to, rolling stock. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the railroad company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the railroad company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in the taxing district, and the denominator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in this state.

SECTION 33. IC 6-1.1-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

12. (a) The fixed property of a railroad car company consists of real property. ~~and tangible personal property which has a definite situs.~~ The

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remainder of the railroad car company's property is indefinite-situs distributable property.

(b) The department of local government finance shall assess a railroad car company's indefinite-situs distributable property on the basis of the average number of cars owned or used by the company within this state during the twelve (12) months of the calendar year preceding the year of assessment. The average number of cars within this state equals the product of:

- (1) the sum of "M" plus "E"; multiplied by
- (2) a fraction, the numerator of which is "N", and the denominator of which is the number two (2).

"M" equals the mileage traveled by the railroad car company's cars in this state divided by the mileage traveled by the company's cars both within and outside this state. "E" equals the earnings generated by the company's cars in this state divided by the earnings generated by the company's cars both within and outside this state. "N" equals the total number of cars owned or used by the company both within and outside this state.

SECTION 34. IC 6-1.1-8-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 13. (a) The fixed property of a sleeping car company consists of real property. ~~and tangible personal property which has a definite situs.~~

(b) A sleeping car company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates cars. The department of local government finance shall make the apportionment in a manner which it considers fair.

SECTION 35. IC 6-1.1-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

14. (a) The fixed property of a street railway company consists of
- ~~(1)~~ real property which is not part of the company's tracks or rights-of-way. ~~and~~
  - ~~(2) tangible personal property which is located within or on the real property described in subdivision (1).~~

(b) A street railway company's property which is not described in subsection (a) is distributable property. This property includes, but is not limited to:

- (1) rights-of-way of the company;
- (2) tangible personal property which is located on a right-of-way of the company; and

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(3) rolling stock.

(c) The department of local government finance shall apportion and distribute the assessed valuation of a street railway company's indefinite-situs distributable property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the street railway company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 36. IC 6-1.1-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

15. (a) The fixed property of a telephone, telegraph, or cable company consists of

~~(1) tangible personal property which is not used as part of the distribution system of the company; and~~

~~(2) real property which is not part of the company's rights-of-way or distribution system.~~

(b) A telephone, telegraph, or cable company's property which is not described under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's lines or cables, including laterals, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the telephone, telegraph, or cable company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's lines and cables, including laterals, which are located in the taxing district, and the denominator of which is the length of the company's lines and cables, including laterals, which are located in this state.

SECTION 37. IC 6-1.1-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

17. (a) The fixed property of a water distribution company consists of

~~(1) tangible personal property which is not used as part of the company's distribution system; and~~

~~(2) real property which is not part of the company's rights-of-way or distribution system.~~

A well, settling basin, or reservoir (except an impounding reservoir) is not fixed property of a water distribution company if it is used to store

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treated water or water in the process of treatment.

(b) A water distribution company's property which is not described as fixed property under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's water mains, including feeder and distribution mains, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the water distribution company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's water mains, including feeder and distribution mains, which are located in the taxing district, and the denominator of which is the length of the company's water mains, including feeder and distribution mains, which are located in this state.

SECTION 38. IC 6-1.1-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 18. For a public utility company which is not within one (1) of the classes of companies whose property is described in sections 6 through 17 of this chapter, the fixed property of the company consists of real property. ~~and tangible personal property.~~ The remainder of the company's property is indefinite-situs distributable property. The department of local government finance shall, in a manner which it considers fair, apportion and distribute the assessed valuation of the company's indefinite-situs distributable property among the taxing districts in which the company operates its system.

SECTION 39. IC 6-1.1-8.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. ~~Before:~~

(1) January 1, 2004; and

(2) January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;

The county assessor of each qualifying county shall provide the department of local government finance a list of each industrial facility located in the qualifying county.

SECTION 40. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) For purposes of the ~~general~~ reassessment under IC 6-1.1-4-4 **of a group of parcels under a county's reassessment plan or for purposes of** a new assessment, the department of local government finance shall assess each industrial facility in a qualifying county.

(b) The following may not assess an industrial facility in a

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qualifying county:

- (1) A county assessor.
- (2) An assessing official.
- (3) A county property tax assessment board of appeals.

SECTION 41. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer ~~or the county assessor~~ of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.

(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

SECTION 42. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. ~~(a) Before January 1, 2003, Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. for the 2004 assessment date:~~

~~(b) Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;~~ (a) Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. ~~for that general reassessment.~~

~~(c)~~ (b) An industrial company may at any time petition the department to assess the real property of an industrial facility owned or used by the company.

~~(d)~~ (c) Before January 1 of any year, the county assessor of the county in which an industrial facility is located may petition the department to assess the real property of the industrial facility for the assessment date in ~~that~~ **the following** year."

Page 10, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 49. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the real property. A ~~general~~ reassessment of real property **under a county's reassessment**

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**plan**, which occurs within the five (5) year period of the deduction, does not affect the amount of the deduction.

SECTION 50. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. The deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following the rehabilitation and shall continue for the taxes first due and payable in the following five (5) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the property. Any ~~general~~ reassessment of real property **under a county's reassessment plan**, which occurs within the five (5) year period of the deduction, does not affect the amount of the deduction.

SECTION 51. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

- (1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by
- (2) the percentage prescribed in the table set forth in subsection (d).

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

- (1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.
- (2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986,

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are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%

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4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

SECTION 52. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.

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(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.
- (3) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.
- (4) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

(d) With the approval of the designating body, the statement of benefits may be incorporated in a designation application. A statement of benefits is a public record that may be inspected and copied under IC 5-14-3.

(e) The designating body must review the statement of benefits required by subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, after the designating body has made the following findings:

- (1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.
- (2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

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- (3) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.
- (4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area.
- (5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the findings required by this subsection are made in the affirmative.

(f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

- (1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and
- (2) for subsequent years determined under subsection (g).

(g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, subject to section 15 of this chapter, the deduction may not be allowed for more than two (2) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), and subject to section 15 of this chapter, the amount of the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

- (1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property

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owner; multiplied by

(2) the percentage set forth in the table in subsection (i).

(i) The percentage to be used in calculating the deduction under subsection (h) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 53. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment,

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or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

- (1) develops, redevelops, or rehabilitates the real property; and
- (2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:
  - (A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by
  - (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

- (1) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4; or

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(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 54. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A county assessor shall inquire into the assessment of the classes of tangible property in the ~~various townships of the county~~ **group of parcels under a county's reassessment plan** after March 1 in the year in which the ~~general reassessment of tangible property in that group of parcels~~ becomes effective. The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in ~~and between the various townships of the county~~ **that group**. In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in ~~and between the townships of the county~~ **that group**.

SECTION 55. IC 6-1.1-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. If a county assessor proposes to change assessments under section 6 of this chapter, the property tax assessment board of appeals shall hold a hearing on the proposed changes before July 15 in the year in which a ~~general assessment~~ **reassessment of a group of parcels under a county's reassessment plan** is to commence. It is sufficient notice of the hearing and of any changes in assessments ordered by the board subsequent to the hearing if the board gives notice by publication once either in:

- (1) two (2) newspapers which represent different political parties and which are published in the county; or
- (2) one (1) newspaper only, if two (2) newspapers which represent different political parties are not published in the county."

Page 14, delete lines 27 through 42.

Page 15, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 59. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) After receiving a petition for review

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which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may correct any errors that may have been made and adjust the assessment or exemption in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the county assessor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing unless the parties agree to a shorter period. With respect to a petition for review filed by a county assessor, the county board that made the determination under review under this section may file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the county board in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment or exemption is under appeal is subject to assessment by that taxing unit.

(c) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(d) After the hearing, the Indiana board shall give the taxpayer, the county assessor, and any entity that filed an amicus curiae brief:

- (1) notice, by mail, of its final determination; and
- (2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under

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IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

- (1) one hundred eighty (180) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

(i) The Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this section, the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to make a final determination; or
- (2) petition for judicial review under section 5 of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county board in support of those issues only if all parties participating in the hearing required under subsection (a) agree to the limitation. A party participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county board.

(l) The Indiana board may require the parties to the appeal:

- (1) to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and
- (2) to file not more than fifteen (15) business days before the date

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of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to all other parties to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

- (1) order that a final determination under this subsection has no precedential value; or
- (2) specify a limited precedential value of a final determination under this subsection.

SECTION 60. IC 6-1.1-15-12, AS AMENDED BY P.L.146-2008, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not

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correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) ~~A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct~~

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an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.

SECTION 61. IC 6-1.1-17-1, AS AMENDED BY P.L.146-2008, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years; ~~excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance;~~
- (5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter;
- (6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and
- (7) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

- (1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and
- (2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with

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respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

- (1) the fiscal officer of each political subdivision affected by the amendment; and
- (2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).

(g) The county auditor is not required to hold a public hearing under subsection (e) if:

- (1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;
- (2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or
- (3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision."

Page 24, line 35, delete "When reviewing a".

Page 24, delete lines 36 through 41.

Page 28, line 13, strike "fourteen (14)" and insert "**thirty (30)**".

Page 28, between lines 35 and 36, begin a new paragraph and insert:  
 "SECTION 65. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;



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referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;

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- (31) IC 20-49-2-10;  
 (32) IC 36-1-19-1;  
 (33) IC 23-14-66-2;  
 (34) IC 23-14-67-3;  
 (35) IC 36-7-13-4;  
 (36) IC 36-7-14-28;  
 (37) IC 36-7-15.1-16;  
 (38) IC 36-8-19-8.5;  
 (39) IC 36-9-6.1-2;  
 (40) IC 36-9-17.5-4;  
 (41) IC 36-9-27-73;  
 (42) IC 36-9-29-31;  
 (43) IC 36-9-29.1-15;  
 (44) IC 36-10-6-2;  
 (45) IC 36-10-7-7;  
 (46) IC 36-10-7-8;  
 (47) IC 36-10-7.5-19;  
 (48) IC 36-10-13-5;  
 (49) IC 36-10-13-7;  
 (50) IC 36-10-14-4;  
 (51) IC 36-12-7-7;  
 (52) IC 36-12-7-8;  
 (53) IC 36-12-12-10; and  
 (54) any statute enacted after December 31, 2003, that:  
     (A) establishes a maximum rate for any part of the:  
         (i) property taxes; or  
         (ii) special benefits taxes;  
         imposed by a political subdivision; and  
     (B) does not exempt the maximum rate from the adjustment  
         under this section.
- (e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:  
     STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.  
     STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's**

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**reassessment plan** takes effect to the year that the annual adjustment or ~~general~~ reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first take effect.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 66. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.

STEP TWO: Determine the actual percentage increase (rounded

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to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect to the year that the annual adjustment or ~~general~~ reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(c) The department of local government finance shall compute the maximum rate allowed under subsection (b) and provide the rate to each school corporation.

SECTION 67. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(1) the remainder of:

(A) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding

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the ensuing calendar year, as that levy was determined under section 3 of this chapter; minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last ~~general~~ reassessment **under a county's reassessment plan** preceding the particular calendar year."

Page 30, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 71. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed

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valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;  
 IC 8-16-3;  
 IC 8-16-3.1;  
 IC 8-22-3-25;  
 IC 14-27-6-48;  
 IC 14-33-9-3;  
 IC 16-22-8-41;  
 IC 16-22-5-2 through IC 16-22-5-15;  
 IC 16-23-1-40;  
 IC 36-8-14;  
 IC 36-9-4-48;  
 IC 36-9-14;  
 IC 36-9-14.5;  
 IC 36-9-15;  
 IC 36-9-15.5;  
 IC 36-9-16;  
 IC 36-9-16.5;  
 IC 36-9-17;  
 IC 36-9-26;  
 IC 36-9-27-100;  
 IC 36-10-3-21; or  
 IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(c) The new maximum rate under a statute listed in subsection (a) is the tax rate determined under STEP SEVEN of the following

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formula:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax under the statute for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect to the year that the annual adjustment or ~~general~~ reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 72. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. (a) Subject to subsection (d), the ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under:

(A) IC 12-29-2-1.2, for only those civil taxing units that

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authorized financial assistance under IC 12-29-1 before 2002 for a community mental health center as long as the tax levy under this section does not exceed the levy authorized in 2002;  
 (B) IC 12-29-2-2 through IC 12-29-2-5; and  
 (C) IC 12-29-2-13; or

(2) community mental retardation and other developmental disabilities centers under IC 12-29-1-1;  
 to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a ~~general~~ reassessment of real property **under a county's reassessment plan** that took effect after February 28, 1979.

(b) Subject to subsection (d), for purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

- (1) the assessed value growth quotient determined under section 2 of this chapter; minus
- (2) one (1).

(d) The exemptions under subsections (a) and (b) from the ad valorem property tax levy limits do not apply to a civil taxing unit that did not fund a community mental health center or community mental retardation and other developmental disabilities center in 2008."

Page 32, delete lines 22 through 42.

Delete pages 33 through 38.

Page 39, delete lines 1 through 30, begin a new paragraph and insert:  
 "SECTION 75. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008, SECTION 180, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the ~~local government tax control board~~ **may recommend department may find** that a civil taxing unit **should** receive any one (1) or more of the following types of relief:

- (1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the ~~local government tax control board~~

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**department** the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

~~(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:~~

~~(A) the cost of personal services (including fringe benefits);~~

~~(B) the cost of supplies; and~~

~~(C) any other cost directly related to the operation of the court.~~

~~(3)~~ **(2)** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year, ~~and in which a statewide general reassessment of real property or the initial~~

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annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

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(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of

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this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population; and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for

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property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

- (i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);
- (ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);
- (iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);
- (iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or
- (v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

- (A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of

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this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers:

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually; if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second

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time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal:

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective; to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) (3) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by

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~~section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency."~~

Page 47, line 31, strike "IC 6-1.1-18.5-12(d)" and insert "**IC 6-1.1-18.5-12**".

Page 53, between lines 28 and 29, begin a new paragraph and insert:  
"SECTION 85. IC 6-1.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's duties are complete.

(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the department of local government finance under subsection (c) shall be paid by the county auditor, who shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.

(c) The department of local government finance may also call a session of the county property tax assessment board after completion of a ~~general~~ reassessment of real property **under a county's reassessment plan**. The department of local government finance shall fix the time for and duration of the session.

SECTION 86. IC 6-1.1-31-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) Except as provided in subsection (b), the department of local government finance may not adopt rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** after July 1 of the year before the year in which the ~~general cycle of~~ reassessment **under a county's reassessment plan** is scheduled to begin.

(b) If rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** are timely adopted under subsection (a) and are then disapproved by the attorney general for any reason under IC 4-22-2-32, the department of local government finance may modify the rules to cure the defect that resulted in disapproval by the attorney general, and may then take all actions necessary under IC 4-22-2 to readopt and to obtain approval of the rules. This process may be repeated as necessary until the rules are approved."

Page 54, delete lines 40 through 42.

Page 55, delete lines 1 through 34, begin a new paragraph and insert:

"SECTION 88. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order

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a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) ~~of this chapter~~ to initiate a review with respect to the real property within a ~~township or county~~, **particular cycle under a county's reassessment plan** or a portion of the real property within a ~~township or county~~, **cycle**, the division of data analysis of the department shall determine for the real property under consideration and for ~~the township or county~~ **all groups of parcels within a particular cycle**, the variance between:

- (1) the total assessed valuation of the real property within ~~the township or county~~, **all groups of parcels within a particular cycle**; and
- (2) the total assessed valuation that would result if the real property within ~~the township or county~~ **all groups of parcels within a particular cycle** were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) ~~of this chapter~~ to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

- (1) the total assessed valuation of the personal property within the township or county; and
- (2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

- (1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and
- (2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

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the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

- (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or
- (2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

- (1) cause the assessment of the property to be adjusted;
- (2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and
- (3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 89. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. ~~Each~~ **In the year in which after a general assessment of real property becomes effective, reassessment cycle of real property under a county's reassessment plan is completed,** the department of local government finance shall compute a new assessment ratio for each school corporation ~~and a new state average~~

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~~assessment ratio. located in a county in which a supplemental county levy is imposed under IC 20-45-7 or IC 20-45-8.~~ In all other years, the department shall compute a new assessment ratio for **such** a school corporation ~~and a new state average assessment ratio~~ if the department finds that there has been sufficient reassessment or adjustment of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 90. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year ~~in~~ **after** which a ~~general reassessment takes effect. cycle under a county's reassessment plan is completed.~~ If the department of local government finance has not computed

(1) ~~a new assessment ratio for a school corporation, or~~

(2) ~~a new state average assessment ratio;~~

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 91. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008, SECTION 296, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit

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of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

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(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of a group of parcels under a **county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an

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economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 92. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

- (1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by
- (2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

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(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of ~~the~~ real property ~~under a county's reassessment plan~~ occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

- (A) has an ownership interest in an entity that contributed; or
- (B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection."

Page 57, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 94. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and

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department consider appropriate for the implementation of this chapter.

(b) After each ~~general~~ reassessment of **real property in an airport development zone under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter."

Page 65, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 121. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter, "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 122. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. As used in this chapter, "qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.
- (4) The treasurer of a qualifying county.
- (5) The county surveyor of a qualifying county.
- (6) A member of the land valuation committee in a qualifying county.
- (7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment of property to which IC 6-1.1-4-32 (repealed) applies, including information in the possession or control of an employee or a contractor of the official.
- (8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32 (repealed).

SECTION 123. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,

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SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in ~~general~~ reassessment activities **under a county's reassessment plan**. This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county."

Page 67, delete lines 37 through 42.

Page 68, delete lines 1 through 23, begin a new paragraph and insert:

"SECTION 125. IC 36-6-8-5, AS AMENDED BY P.L.146-2008, SECTION 717, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) When performing the real property reassessment duties **under a county's reassessment plan** as prescribed by IC 6-1.1-4, a township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that the assessor is engaged in reassessment activities.

(b) Subsection (a) applies regardless of whether professional assessing services are provided to a township under contract.

SECTION 126. IC 36-7-14-39, AS AMENDED BY P.L.146-2008, SECTION 738, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a

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declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on

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depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax

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proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),

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IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

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(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon

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petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

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(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ **reassessment of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ **reassessment of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ **reassessment under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
  - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
  - (B) specifically designates a particular date as the final allocation deadline.

SECTION 127. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008, SECTION 755, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section

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8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory

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resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the

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allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local

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public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in

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subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection

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(b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment **of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the

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effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
  - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
  - (B) specifically designates a particular date as the final allocation deadline.

SECTION 128. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008, SECTION 765, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

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(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

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(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

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The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set

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forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

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(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment **of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines

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under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 129. IC 36-7-30-25, AS AMENDED BY P.L.146-2008, SECTION 770, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently

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levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area: STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district. STEP TWO: Divide:

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(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes

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described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the

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lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed

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value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 130. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008, SECTION 772, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by

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the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or ~~benefitting~~ **benefitting** that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

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STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or ~~benefitting~~ **benefitting** the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each

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year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property

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situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ reassessment of real property in an area

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**under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 131. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each ~~general~~ reassessment **of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter."

Page 70, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 133. IC 36-9-41-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A political subdivision borrowing money under section 3 of this chapter shall execute and deliver to the financial institution the negotiable note of

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the political subdivision for the sum borrowed. The note must bear interest, with both principal and interest payable in equal or approximately equal installments on January 1 and July 1 each year over a period not exceeding ~~six (6)~~ **ten (10)** years.

SECTION 134. IC 6-1.1-8-23 IS REPEALED [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)].".

Page 70, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 136. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to an entity and to property that meets all of the following conditions:**

**(1) The entity is a nonprofit religious affiliated school that has been in existence for more than forty-five (45) years in a county containing a consolidated city.**

**(2) The entity received a gift of real property and improvements that for the assessment date in 2005 was exempt from property taxes under IC 6-1.1-10.**

**(3) The entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property for the assessment date in 2006.**

**(4) For the assessment dates in 2006, 2007, and 2008:**

**(A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property; and**

**(B) the entity's property was subject to taxation.**

**(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application or statement for property tax exemption must be filed to claim or continue an exemption for a particular assessment date, an entity described in subsection (a) may before July 1, 2009, file with the county assessor:**

**(1) an application for property tax exemption for the 2006 assessment date;**

**(2) a statement to continue the property tax exemption for the 2007 assessment date; and**

**(3) an application for property tax exemption for the 2008 assessment date.**

**(c) Notwithstanding IC 6-1.1-11 or any other law, an application or statement for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the applications and statement to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment dates in 2006, 2007, and 2008**

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for property tax exemption if the board determines that:

- (1) the entity's applications and statement for property tax exemption satisfy the requirements of this SECTION; and
- (2) the entity's property was, except for the failure to timely file an application or statement for property tax exemption, otherwise eligible for the claimed exemption.

If an entity is granted an exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's property shall be canceled by the county treasurer.

(d) If an entity has previously paid the tax liability for property with respect to the 2006, 2007, or 2008 assessment date and the property is granted an exemption under this SECTION for the assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 561 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

# SENATE MOTION

Madam President: I move that Senate Bill 561 be amended to read as follows:

Page 2, line 33, delete "(4)" and insert "(5)".

Page 2, line 36, delete "(5)" and insert "(4)".

Page 2, line 39, delete "(6)" and insert "(5)".

Page 2, line 41, delete "(7)" and insert "(6)".

Page 3, line 6, delete "(8)" and insert "(7)".

Page 4, line 35, after "class" delete "," and insert "and".

Page 4, line 35, after "location" delete ", and age".

Page 4, line 40, delete "before the start of the next general reassessment." and insert ".".

Page 79, line 42, after "(13)" insert "(4)".

SB 561—LS 7562/DI 73+



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Page 79, line 42, reset in roman "A levy increase may be granted under this subdivision only".

Page 80, reset in roman lines 1 through 7.

(Reference is to SB 561 as printed February 6, 2009.)

HERSHMAN

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